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PARIS, WEDNESDAY, AUGUST 4, 1993

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The German finance minister, Theo Waigel, left, and the French finance minister, Edmond Alphandery, on Tuesday in Paris as they tried to mend their differences.

Germany Cuts Rate To Salve EC Wound

Others Follow, But Not France

By Barry James
International Herald Tribune

Germany's central bank eased a short-term interest rate Tuesday in what was seen as an attempt to stimulate the European economy and to paper over the rift among the members of Europe's battered monetary system. The move spurred rate cuts elsewhere led by Spain, but France held back from bringing down its interest rates, apparently fearing it would weaken the franc.

One analyst said the move by the Bundesbank was a "sweetener" to France following the unshackling early Monday of the bands holding the Deutsche mark and the French franc in a tight alignment.

The French franc recovered some ground against the Deutsche mark following the Bundesbank's announcement that it was shaving its repo rate, an important mechanism for setting short-term interest levels, by 0.15 percentage points. The franc closed at 3.493 to the mark, up from 3.499.

Hans-Jürgen Meltzer of Deutsche Bank, in an interview with Reuters, said, "I think it's an indication that the Bundesbank is willing to work together in the direction of lower interest rates, and indicates to me that we will see, in the not too distant future, a key rate cut."

The chief economist of the Bundesbank, Otmar Issing, said in an interview with the German business daily Handelsblatt, "The Bundesbank will sound out the possibility of further interest rate cuts carefully, with the aim of calming the financial markets."

A Deep Split In Bonn-Paris Cooperation

By Joseph Fitchett
International Herald Tribune

PARIS — The European currency crisis has exposed long-hidden tensions in the French-German alliance and is threatening a breakdown over economic problems of the sort that prompted the bond in the first place.

The fundamental, perhaps irreconcilable, difference is a growing feeling in France that unemployment, now at a post-war high of 3 million, has become the prime threat to national stability and closer European unity.

Germany's authorities, in contrast, seem determined to stick to the letter of their terms for European unity, set down 18 months ago in the Maastricht treaty, which except lower growth — a price the Germans can afford to pay — if necessary to keep a united Europe free of high inflation.

As a result, the two governments could find themselves split for the first time in 20 years about what strategy to pursue to achieve European unity. Time for maneuver is running short, because Chancellor Helmut Kohl faces elections next year and Prime Minister Edouard Balladur already must confront accusations in his own Gaullist party that he has followed the German economic model too long.

This French challenge to German orthodoxy — more widely discussed in Paris than officials acknowledge publicly — maintains that economic growth fostering jobs and confidence may have become more important at this juncture than exchange rate stability and could even be the only condition for closer European cooperation.

As this idea has gained ground in recent weeks, such suggestions have been brushed aside in Bonn as too alarmist amid signs of a bottoming-out in the recession. But some German officials acknowledged growing fears that France could, if unemployment and social pressures continue mounting, resort to protectionist measures against overwhelming international competition.

Seeking to gloss over their differences for the moment, French and German officials emerging Tuesday from a meeting in Paris stressed that economic cooperation would continue in hopes of living up to the Treaty on European Union.

But their pledges, in their differing emphases, suggested that uppermost in the minds of both was the wish to remind their opposite numbers about their responsibilities as a European partner. In French eyes, this meant German economic support; in German eyes, French willingness to maintain economic austerity.

The main feature keeping the two governments apart is the issue of the Treaty on European Union.

NATO May Target Serbian Military Leaders

By Rick Atkinson
Washington Post Service

BERLIN — NATO planners contemplating how to lift the siege of Sarajevo believe they now have broad latitude in drafting target lists that include Bosnian Serbian military leaders who are not necessarily in the vicinity of the besieged city.

Under a directive issued early Tuesday by NATO ambassadors in Brussels, military planners in Italy and Belgium have been ordered to draft options for "coercive operations," including air strikes, against those responsible for Bosnian Serbs and others in Bosnia-Herzegovina besieging Sarajevo and several other towns.

The directive was issued after a 12-hour meeting at which the allies finally agreed to U.S. air strikes against Serbian militia forces if they continued their offensive against Sarajevo. Officers putting together such an air campaign intend to place at risk command-and-control and leadership targets — including communications facilities and military headquarters — that may be far removed from Sarajevo and other United Nations-protected "safe havens."

Alliance sources said ambassadors from the 16 NATO allies had consciously agreed to authorize planning for a relatively wide set of targets as part of an effort at "coercive diplomacy" — putting the entire Bosnian Serb leadership at risk unless they heed UN demands to stop the strangulation of Sarajevo.

"It's more than the lit-for-tat of close air support in trying to neutralize a mortar crew or artillery battery who are harassing UN troops," a senior NATO official said. "This is much more a question of using military power to compel people to change their behavior."

Noting that the communiqué from Brussels singled out "those responsible for Bosnian Serbs" for future attack, a NATO officer said: "There are fewer constraints for planners in this kind of language. It implicitly gives more options than in just looking at a point target — trying to make some guy with a mortar stop firing."

Plans are to be completed this week by officers under General John M. Shalikashvili, the NATO supreme commander in Mons, Belgium, and Admiral Jeremy M. Boorda, head of Allied Forces Southern Europe in Naples, which will serve as headquarters for any military action. The proposals will then be reviewed by NATO's military committee under Field Marshal Sir Richard Vincent, joined by French observers who are normally not part of NATO's

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Clinton Nears One Goal in Budget Fight

By David E. Rosenbaum
New York Times Service

WASHINGTON — President Bill Clinton took office with three goals for the economy: He wanted to reduce the annual budget deficit, stimulate the economy to create jobs and redirect the priorities of the government.

In his speech to a joint session of Congress in February laying out his economic program, the president called for tough choices and shared sacrifices, for fundamental changes that he said would make the tax system fairer and direct government spending to the programs where it would do the most good.

If Congress approves the legislative compromise that House and Senate negotiators struck Monday — a probability but by no means a sure bet — then the president will have achieved the first of his goals, reducing the annual federal deficit.

This is a serious, credible, mostly gimmick-free bill that should make the deficit significantly lower over the next five years than it otherwise would be, saving the country billions of dollars in interest payments on the national debt.

But the president's two other goals — stimulating the economy and changing priorities — have fallen by the wayside, at least for the time being. And with them, to some extent, has gone the dream, the vision.

See BUDGET, Page 3

President, Stung by Critics, Takes Tough Bosnia Lead

By Michael R. Gordon
New York Times Service

WASHINGTON — In the last week, the Clinton administration changed more than just its policy on the use of force in Bosnia-Herzegovina. It also changed the strategy for dealing with its European allies.

Worried about the deteriorating position of the Bosnian Muslims and stung by criticism that it has been indecisive, the Clinton leadership sought to reassert U.S. primacy in the NATO alliance, which agreed early Tuesday to authorize air strikes to prevent Serbian strangulation of Sarajevo.

For months, Washington said it would take military action in Bosnia only with the approval of its allies.

The new U.S. approach, one official said, is: "Don't ask, tell."

That was not the way the administration approached the question in May when President Bill Clinton sent Secretary of State Warren M. Christopher to discuss ideas about how to prevent the Serbs from winning the war.

By taking its commitment to consult with the allies perhaps a little too literally, the Clinton administration in effect gave the Europeans a veto over its proposals to arm the Muslim forces and to protect them with air strikes.

Confronted with objections from London and Paris, the military option was put aside and the West put its trust in Belgrade's promises to press the Bosnian Serbs to agree to peace.

The situation in the Bosnian capital, Sarajevo, and other Muslim enclaves continued to worsen. And the Clinton administration was criticized for abandoning America's traditional leadership role.

This time, however, U.S. officials appear to have learned a fundamental lesson about how to deal with its allies. To have any hope of getting something done, Washington needs to telegraph the outcome.

Administration officials say that the revised approach reflects a new urgency. For one thing, officials say the Serbs have continued to tighten their hold on Sarajevo. The closer the Serbs positions are, the more devastating their artillery barrages will be.

Lord Owen, the European Community negotiator in the conflict, has warned that military action could imperil the peace negotiations.

But Lord Owen has sought for months to dissuade the West from using military force by arguing that peace was just around the corner, only to see the Serbs continue their attacks.

Asked if threats of military action could delay peace efforts, Mr. Clinton replied: "I think peace has been delayed by the reverse perception, that because the allies have not done anything to try to stabilize the position, the situation has, until very recently, gotten much worse."

Another factor is that U.S. officials are more confident than before that they can achieve the military objectives through air power alone, since these goals are limited to preventing the strangulation of Sarajevo and do not extend to pushing back the Serbs.

The politics of the issue is also an important consideration for Washington. It was one thing for the administration to abandon its campaign promise to even the odds that had favored the Serbs, and quite another for Washington to sit on the sidelines and watch the fall of Sarajevo.

That would be a devastating setback to U.S. foreign policy, conjuring up images of weakness. The Clinton officials are still smarting from the unsuccessful mission to the allies in May by Mr. Christopher on the Bosnian crisis, and they have been eager to associate him with a new and more determined policy.

U.S. Is Told to Readmit Demjanjuk

CINCINNATI (APF) — A federal appeals court ruled Tuesday that the United States must allow the return of John Demjanjuk, whose conviction in Israel on Nazi-era war crimes was overturned last week.

The Israeli still hold Mr. Demjanjuk. The court said Mr. Demjanjuk must be allowed to return pending a court investigation of his extradition to Israel in 1986.

The appeals court said it had approved the extradition on the condition that he be tried only on charges that he had been the "Ivan the Terrible" who operated the gas chamber at the Treblinka death camp.

Kiosk

General News
Army engineers breached the main Mississippi River levee in an attempt to save a historic Illinois village. Page 3.

Business/Finance
European stocks and bonds extended their climb on rate-cut optimism. Page 9.

Book Review Page 7.
Crossword Page 18.
Weather Page 18.

Dow Jones	Up 0.28
3,561.27	

Trib Index	Up 0.48%
105.90	

The Dollar	Tues. close	previous close
DM	1.7075	1.708
Yen	104.40	104.40
FF	5.9352	5.9335



INTERESTED PARTY — Coal miners in Petroșeni, Romania, awaiting word on government-union talks Tuesday. About 45,000 miners vowed not to end their strike, begun Monday, and asked government leaders to come to their region.

In Money Wars, Casualty Toll Is in the Billions

By Floyd Norris
New York Times Service

NEW YORK — Once again, European central banks have given away hundreds of millions, if not billions, of dollars. The recipients were currency traders, speculators and all the others who thought it profitable or simply prudent to sell overvalued currencies to the central banks.

The latest failure of Europe's attempt to sort-of-fix exchange rates in the face of hostile markets emphasized the profits that can be made, at minimal risk, from currency crises.

It again raised the question of why European governments, which end up paying the losses of their central banks, have been so willing to put up with a system that makes such losses a periodic inevitability.

The swiftness of last week's collapse of the French franc, and to a lesser extent some other European currencies, emphasized just how fast the markets can move. The Bundesbank, the Bank of France and other central banks were reported to have spent up to \$40 billion defending the currencies. That was not enough.

That money was largely spent buying French francs at or near the previous floor rate of 3.4005 to the Deutsche mark. Now all those central banks own francs that late Monday were trading at about 3.5 francs to the mark. If they sold the francs at that price, the loss to the central banks would be more than \$800 million.

The sheer size of the financial markets was shown by the fact that intervention could not stem the tide. By late Friday, there was a piling-on as speculators who had not bet against the franc decided it was foolish to stay on the sidelines.

Much of the selling of francs came from people who thought they were not speculating, merely hedging. Investors who owned French stocks and bonds wanted to avoid the losses they would suffer from a devaluation. They sold francs. So, some think, did some non-European central banks that had held francs as part of their currency reserves.

"The problem was that the risks and rewards were not symmetric," said William Dudley, a senior economist at Goldman Sachs. "The possibility of a sizable devaluation had to be weighed against the risk of rather small upward appreciation if the French currency managed to remain within the limits set in the

Near Sarajevo, Horror on a Strategic Hill

By John F. Burns
New York Times Service

JEZERA, Bosnia-Herzegovina — Yellow-winged butterflies fly through the long grass in this village above Sarajevo and the orchards are ripening with apples, pears and plums. In the distance, the mountain sites of the 1984 Winter Olympics shimmer in a blue haze, the ski trails cut into the thickly wooded slopes like ribbons.

On a balmy summer day, Jezera seems hardly a place to die. But only a few hundred yards from the village, up a slope to a grassy knoll called Golo Brdo, or Naked Hill, a ferocious battle is being waged that may seal the fate of Sarajevo.

In the last 11 days, the battle has cost the lives of hundreds of young men, mostly Bosnian Muslims, and their bodies lie moldering where they fell.

Jezera lies in a fold of Zuc, a hilly region to the northwest of Sarajevo that is its strategic gateway. The Serbs have massed tanks, howitzers, mortars and gunners near Golo Brdo, pounding away day and night at the Bosnians above.

With little but machine guns, pistols and anti-tank grenades, the Bosnians have held the heights against Serbian armor, but at a terrible price.

Paul Futarek knows how terrible. And when he tries to forget, he is

wrenched back to the nightmare by bodies lying near the trench where he serves as a rifleman in the 2d Mountain Brigade. The bodies cannot be recovered without great danger.

"I try to sleep at night, but I can't," the 19-year-old said as he climbed the dusty pathway toward Golo Brdo. "There is a warm breeze on the hill at night, and it blows the stench from the bodies directly into the trench."

The relentless Serbian bombardment has left traces all across Zuc. Soldiers reaching the front lines from Sarajevo have to trek a mile from the last position where it is safe to drive a vehicle, frequently breaking into a sprint to avoid shells.

The men ascend a narrow pathway through a terrain studded with craters. Hardly a tree has not been scarred or broken in half by shell blasts.

What is happening here, barely four miles (6.5 kilometers) from the center of Sarajevo, could be the last major stand of the Muslims in their battle to save the city. If the Serbs break through here, there is almost nothing to stop them from advancing and clamping an iron fist on Sarajevo.

With the capital already under siege from the south and the west, a breakthrough on Zuc, to the north, would almost certainly enable the

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Troop Cut in Europe Draws Concern

General Says U.S. Must Keep 65,000 Soldiers in Germany

New York Times Service
HEIDELBERG, Germany — The general in charge of reducing the number of U.S. soldiers in Germany to 65,000 by 1995 says he thinks the number should dip no lower than that.

With the army at 65,000, the total U.S. military presence in Europe, including air force and navy forces, would be 100,000, said General David M. Maddox, commander of the army in Europe, in an interview here. "I think there is considerable concern that we stop there," he said.

This concern, he said, was shared not only by the U.S. military and North Atlantic Treaty Organization allies, but also by former Communist nations that now hope for association with NATO to guarantee their own security.

"I think that enough has happened in the world that we have rationalized the 100,000," General Maddox said. "People appear to it, but clearly were extremely sensitive about what kind of structure there would be below 100,000, and would it be meaningful, credible, or large enough to have the United States in a position of leadership in the alliance."

The original number was 213,000 army troops.

Western European officials in Paris and Bonn have asked whether the United States should continue to fill the post of NATO's military commander, now held by General John M. Shalikashvili, if the number of American troops in Europe fell below 100,000.

The reductions here are changing the face of the army in Europe. The 11th Armored Cavalry Regiment, which guarded the Fulda Gap at the old East-West German border during the Cold War, will go home in September.

Reducing the number of soldiers and military installations in Germany is expensive, General Maddox said: \$340 million in the fiscal year that ends in September, and \$200 million in the coming year.

"What we did not understand early on was a lot of the other costs of totally closing up an installation, cleaning it up, and turning it back to the German government," he said. "We take responsibility for leaving our installations clean."

In 1990, 380,000 Soviet soldiers were stationed in East Germany. By the end of 1994, none will remain. The Russians had employed few if any German civilians and left desolation and pollution behind.

The U.S. Army provided jobs for more than 50,000 civilians, most of them Germans, and will have laid off or relocated nearly 28,000 of them by the end of 1995. Severance payments for Germans had been covered, but the cost of selling, destroying, returning, or turning over to the allies surplus equipment no longer needed exceeded expectations.

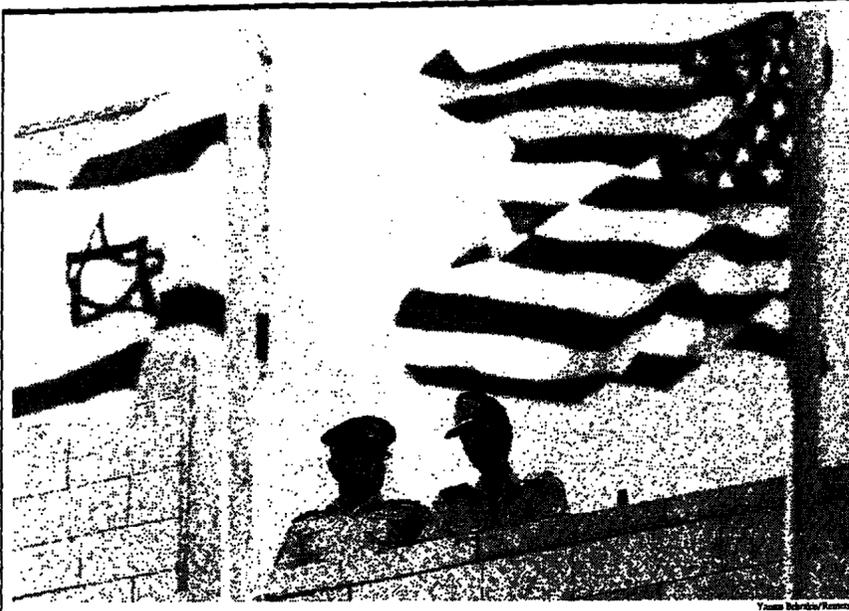
In Mainz alone, the army had to pay \$1.7 million to German landlords to get out of leases on apartments for soldiers and their dependents. Simply to get out of contracts with German utilities for heating has cost \$52 million so far, General Maddox said.

"We've moved 31,000 sets out of Germany and 38,000 cars," he added.

By the end of 1995, the army's goal is to have cut 557 installations — ranging in size from sprawling bases and even a corps headquarters, the former IG Farben building in Frankfurt, to isolated radar stations — leaving 301.

U.S. officials said that his specific concerns were to ease anger on both sides over the

— CRAIG R. WHITNEY



Israeli policemen on guard on the roof of a government building in Jerusalem where Mr. Rabin and Mr. Christopher met Tuesday.

Christopher Has 2-Way Talks in Israel

By John M. Goshko
Washington Post Service
JERUSALEM — Secretary of State Warren M. Christopher began intensive discussions with Israelis and Palestinians on Tuesday in a search for areas of agreement that might break the deadlock in the Middle East peace talks. But U.S. officials cautioned that they did not expect quick results.

On his first day of talks with parties who are negotiating partners in the peace process, Mr. Christopher concentrated on what he called "refocusing the discussions" in the aftermath of last week's bombardment of southern Lebanon.

U.S. officials said that his specific concerns were to ease anger on both sides over the

border violence and to press for agreement on an Israeli-Palestinian declaration of principles to govern their negotiations.

A senior U.S. official, who spoke on condition that he not be identified, said that the discussions Tuesday with the Palestinians centered, to a large extent, on allowing them "to vent steam" over the Lebanese situation.

In particular, the official said, the Palestinians wanted to know more about Mr. Christopher's dealings last week with the Israeli, Lebanese and Syrian governments to broker the cease-fire that went into effect Saturday.

"They were concerned about whether there were any special arrangements with Syria," he said, referring to Palestinian fears that Israel and President Hafez Assad of Syria

might not wait for the Palestinians and instead make a separate deal to return the Israeli-occupied Golan Heights to Syria.

Prime Minister Yitzhak Rabin of Israel is known to believe that the chances of progress are better in the Syrian negotiations than in the Palestinian track of the peace process, and he would like to pursue a "Syria first" approach.

Mr. Christopher will go to Damascus on Wednesday for talks with Mr. Assad. The U.S. official, asked whether the secretary would probe the possibilities of a "Syria first" approach, replied: "We wouldn't define our approach as seeking progress on just one track. We want progress in all phases of the peace process."

As Terrorist Bomb Blast Fades, Survivors' Ordeal Begins

By Al Goodman
Special to the Herald Tribune
MADRID — When car bombs from the Basque separatist group ETA killed 12 people and injured 12 in Madrid on June 21, the Association of Victims of Terrorism got new members — which it had preferred not to have.

"You see 19 more families whose lives are destroyed for no good reason," said Juan Antonio Corredor, the association's manager, who was mangled by an ETA car bomb in 1985.

Mr. Corredor, then a young Civil Guard, underwent a year and a half of physical therapy but lost his place in the paramilitary force because he never regained the full use of his right arm.

ETA's 25-year fight for the independence of northern Spain's Basque region has killed more than 750 people and wounded 3,000. Terrorism victims used to get lit-

tle help, but the association and the Spanish government have worked hard in recent years to change that.

However, leaders of the organization — a nonprofit group that gets strong support from conservatives — say the government of Prime Minister Felipe González provides inadequate financial, legal and psychological aid to victims.

A Spanish Interior Ministry spokesman, Agustin Valladolid, said the government covered basic medical and financial needs of victims and their families. He conceded

there was room for improvement.

"The government needs to perfect the follow-up treatment," he said, and stressed a need in particular to help children avoid psychological damage.

The Spanish health care system covers treatment of physical injuries from terrorism. Madrid paid \$42 million in death and injury indemnities from 1976 through 1992 for victims, and millions more for pensions and property damage.

The biggest change lately has been improved financial coverage, particularly for civilians. They traditionally got less aid than members of the state security forces, who comprise the majority of the victims.

The widows of military officers killed in the June 21 attack when their van drove past a remote-controlled car bomb, will receive a 7 million peseta (\$51,000) state indemnity and nearly 1.2 million pesetas for each child.

The family also will get monthly

checks for the officer's full salary during what would have been the normal period of service.

There are many other payments schedules, such as for victims left handicapped.

But those who suffer property damage are often in for a shock.

Only 40 percent of the cars and 35 percent of the homes in Spain have the costly, comprehensive private insurance that brings reimbursement from the state-run Consortium of Insurance

A Leader of Japan's Coalition Sees Signs of Strain

Compiled by Our Staff From Dispatches
TOKYO — Policy differences over taxes, defense and deregulation are likely to strain the seven-

party coalition government to be formed this week, Tsutomu Hata, a coalition leader, said Tuesday.

Ready to take over from the Liberal Democrats, who have governed Japan for 38 years, all coalition members feel a "very heavy responsibility" about forming a new government, said Mr. Hata, who heads the recently formed Japan Renewal Party.

He said talks within the coalition are "proceeding rather smoothly for the time being."

"But once the new government is launched," he said, "there could be certain areas where there could be certain debate." Mr. Hata cited defense and taxes.

"Taxes are an area where we had very heated discussions quite recently," he said.

Mr. Hata added that further divisions could emerge as the coalition pressed ahead with deregulation, administrative reform and fiscal rehabilitation as vested interests sought to maintain subsidies or avoid job losses.

"But I think we will overcome these difficulties more easily than you would think," he said.

Mr. Hata, a former finance minister, dismissed suggestions that Morihiko Hosokawa, the head of a smaller opposition party chosen as the coalition candidate for prime minister, would merely be a puppet of the Hata party.

"He is not going to be a puppet," Mr. Hata said. "And I have no intention of making a puppet out of anybody."

Mr. Hata is widely reported to be

seeking the job of deputy prime minister and either that of foreign minister or finance minister.

Mr. Hosokawa is expected to be elected prime minister Thursday when parliament convenes for the first time since the Liberal Democratic Party lost its lower-house majority in last month's elections.

The former governor of Kumamoto Prefecture in southern Japan left the Liberal Democrats to start his own party last year and was selected last week to lead the coalition government.

In another development, Takako Doi, former Socialist chairwoman, yielded to pressure from the coalition to accept the largely ceremonial role of speaker of the lower house. She would be the first woman to hold that position.

She initially had refused the of-

WORLD BRIEFS

Italy Closes In on Election Reform

ROME (Reuters) — Less than four months after Italians voted to sweep away the old order of proportional representation, parliament on Tuesday began a marathon session to approve a system based on simple majorities.

After a welter of modifications that caused the separate bills to be betted back and forth between the two houses for weeks, both the Senate and Chamber of Deputies embarked on final debate.

Meanwhile, the head of Italy's national heritage organization, Francesco Sanna, was arrested Tuesday in Calabria as part of an investigation into purchases for the state, sources told Agence France-Press.

Jewish Graves Defaced in Britain

SOUTHAMPTON, England (AP) — More than 150 Jewish grave-stones were defaced with white paint and damped with swastikas and anti-Semitic slogans Tuesday, police said. "Gas the Jewish Boys" and "Perish Jewish" were painted on graves throughout the Jewish section at the Hill Lane cemetery, police said.

"It would appear that there was no damage to non-Jewish graves nearby," the police said. "Obviously, at this stage it appears to be an anti-Semitic attack." A police spokesman said the attackers used some symbols associated with the National Front, a small but vocal extremist group which opposes the presence in Britain of Jews and blacks.

Claude Freeman, treasurer of Southampton's Jewish synagogue, said the city's small Jewish community had received "a horrible shock." He added, "We have always had excellent relations in Southampton, and I have never felt any trace of anti-Semitism."

Elizabeth Going to Baudouin Funeral

LONDON (AP) — Queen Elizabeth II and her husband, Prince Philip, will attend the funeral of King Baudouin of Belgium on Saturday, a spokesman for the British royal family said.

The queen has never attended a funeral overseas, the spokesman said. It is also rare for her to attend funerals in Britain, unless it is for a close friend or relative. She attended the state funeral of Sir Winston Churchill in 1965 and the services for her cousin, Earl Mountbatten, who was killed by the Irish Republican Army in 1979.

The queen decided to break with tradition as a mark of respect to King Baudouin, a close friend and distant relation, the spokesman said. "This was very much a personal decision," he said. King Baudouin died of heart failure while on vacation in Spain on Saturday.

Player Charged in Firecracker Toss

LOS ANGELES (AP) — The New York Mets' outfielder Vince Coleman was charged with felony possession of an explosive device Tuesday, nine days after he tossed a firecracker that injured three people outside Dodger Stadium here.

Mr. Coleman and a teammate, Bobby Bonilla, were in a car driven by Eric Davis of the Los Angeles Dodgers when Mr. Coleman tossed the explosive, an M-80. Mr. Coleman apologized five days later, but an attorney for one of the injured said that "a lawsuit is proper just on the basis of preventing these players and other players from continuing this senseless type of gross and lawless conduct."

Amanda Senko, 7, sustained second-degree burns to her cheek and damage to an eye and finger. Her parents have said they plan to sue. Officials of the New York Mets, in Montreal for a game against the Expos, were not immediately available for comment.

German Rightists Lose Court Appeal

MUNICH (Reuters) — An appeals court gave Bavarian state officials permission on Tuesday to continue spying on Germany's far-right Republicans. A state court spokesman said judges had overturned a local court ruling made last month that barred Bavarian investigators from using informers and electronic surveillance.

The court must still rule on whether the Republicans, one of the biggest right-wing parties, pose enough of a threat to democratic principles to justify cloak-and-dagger methods. But it lifted the ban on their use until it makes a final decision, arguing that valuable information could be lost in the meantime. The state must be able to defend democracy, the court added.

The Republicans had originally sued to stop undercover action by the Office for the Protection of the Constitution, an agency charged with investigating suspected extremists and spies.

Rain Could Spread Chernobyl Fallout

KIEV (AP) — Rains that have lashed Ukraine since early last month are threatening to flood land contaminated with radiation in the 1986 Chernobyl nuclear reactor explosion, weather experts said Tuesday.

The authorities fear the Pripyat River which cuts through the region on its way to the Kiev Sea, could burst its banks and carry radioactive aluminum outside a zone around the plant, which has been sealed off since the catastrophe.

Kiev has decided to open dam sluice gates in a bid to lower the Kiev Sea level and reduce danger of flooding. Last year the authorities were worried about a wind which heightened the risk of forest fires whose cinders could be carried into uncontaminated areas.

U.S. Court Nominee Is Confirmed

WASHINGTON — The Senate on Tuesday overwhelmingly confirmed Ruth Bader Ginsburg as the second woman to serve on the Supreme Court, voting 96 to 3 in one of the quickest and smoothest high court confirmations in recent years.

The only senators to vote against her confirmation were Jesse Helms of North Carolina, Don Nickles of Oklahoma and Robert C. Smith of New Hampshire, all Republicans. Senator Donald W. Riegle Jr., Democrat of Michigan, was absent.

Chosen by President Bill Clinton to replace the retired Justice Byron R. White, Justice Ginsburg, 60, was the first person named to the nine-member court by a Democratic president in 26 years. She will join the first female justice, Sandra Day O'Connor, who was nominated by President Ronald Reagan in 1981.

TRAVEL UPDATE

Delta will begin service to Los Angeles from Madrid shortly as part of an agreement with the U.S. carrier Carnival. The Spanish national airline Tuesday that as of Oct. 1 it will fly daily to Miami, where passengers will be picked up by Carnival to complete the trip. (AP)

British Airways will be smoking on European flights of less than 90 minutes beginning next month after surveys showed travelers supported the idea. The company said Tuesday that more than 400 flights a week to Paris, Amsterdam, Brussels, Bonn, Luxembourg and other cities would be smoke-free from Sept. 27. The carrier's domestic flights have been nonsmoking since 1988. (Reuters)

Belfast's bomb-damaged Europa Hotel was closed and sold Tuesday, putting 90 employees out of work. It has been blasted more than 30 times by the IRA. The Hastings Hotel Group has taken it over but it may not open for at least six months, pending renovation. (Reuters)

American Airlines plans to suspend service on three poorly traveled routes between the United States and Europe this fall. Dallas-Brussels and Chicago-Berlin flights will be suspended Oct. 1, while Dallas-Madrid service will be suspended Nov. 1. (AP)

At least 10 people were drowned in Portugal in coastal areas left unsupervised because of a lack of lifeguards, according to a report by the country's Institute of Water Rescue. (AP)

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North Korea Readmits UN Nuclear Inspectors

Compiled by Our Staff From Dispatches
VIENNA — North Korea on Tuesday readmitted inspectors from the International Atomic Energy Agency, but it was not immediately clear whether they would be

The Vienna-based UN agency had been negotiating with North Korea for more than two weeks to resume inspections that were halted by Pyongyang in March when the North Koreans announced they were withdrawing from the treaty to limit the spread of nuclear weapons.

Talks between the United States and North Korea in Geneva last month produced a compromise involving renewed North Korean contacts with the atomic agency over the question of access and a promise by the United States to help North Korea convert its reac-

tors from graphite to light water, which are less suited for military purposes.

At issue in the dispute are two possible nuclear waste sites that are believed to contain evidence of how much fissile material North Korea has to build weapons. UN inspectors were barred from visiting them in March, provoking fears that Pyongyang was pushing ahead to develop nuclear arms as quickly as possible. They were also kept away from the sites during a visit to North Korea in May.

There were no assurances that they would get a look this time either.

David Kyd, a spokesman for the agency, said the inspectors would

replace film and other equipment in monitoring devices at a small research reactor and a laboratory in a nuclear complex at Yongbyon.

The three-man team has a number of tasks, Mr. Kyd said, but these do not include inspection of the two sites that have been the subject of the dispute.

"We welcome the fact that we are able to resume our inspection activity," he said. "We haven't had anybody there since May 14. It was certainly time to get going again."

If inspectors miss more than about three facilities without a visit to nuclear facilities there is a risk of losing the ability to monitor constantly through video cameras and other devices, he said. (AP, AFP, Reuters)

OVERHEARD

Martha rushed in to break Herbert of his old ways.

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STATESIDE / BUDGET COUNTDOWN

An Upbeat Clinton Sees 'Real Numbers' in Deficit Deal

WASHINGTON — President Bill Clinton on Tuesday hailed a \$496 billion deficit-reduction compromise as "the beginning, not the end" as Democrats moved to push it through Congress this week.

"It's a good package. It's solid. It's real numbers," Mr. Clinton said, speaking of the plan at the heart of his domestic policy.

Democratic negotiators in Congress were applying final touches to the bill that had been six months in the making. A final vote was expected in the House on Thursday and in the Senate on Friday.

Mr. Clinton said that, while the compromise is different from his original proposal, "I feel quite good about it."

Responding to criticism that the measure does not contain enough in budget cuts, Mr. Clinton said: "There will be many more budget cuts. This is the beginning, not the end."

Congressional Democratic leaders agreed Monday to reduce the number of elderly Americans who would be hit by a higher Social Security tax and to slow the growth of Medicare. Those deals were aimed at sealing the votes that the Democrats will need to approve the measure.

"We're not bringing it up to pass the bill," said the House speaker, Thomas S. Foley, Democrat of Washington. "So we believe we have the votes."

Senator John B. Breaux, a Louisiana Democrat who supports the president's program, said: "I think it's going to be very close. There'll probably be a one-vote margin. But the bottom line is, I think, more members are coming to the conclusion that it's unacceptable not to do anything. We have to act and get it done."

Mr. Clinton planned a nationally televised speech Tuesday night to try to solidify public support. He was pressing the theme that the national economy needs a

change in direction and that the budget package was the first essential turning point.

Nervous Democrats knew they would have to labor to get the measure through Congress. They passed initial versions of the bill by votes of 219 to 213 in the House and 50 to 49 in the Senate, where Vice President Al Gore cast the tie-breaking vote.

Republicans who unanimously opposed the early packages were ready to do so again. And Senator David L. Boren, Democrat of Oklahoma, a maverick conservative who supported the package in June, has declared that this time he will vote "no" — meaning that at least one of the six Democratic senators who opposed the plan in its Senate version would have to be converted.

A half-year after Mr. Clinton unveiled his economic recovery plan in a speech to Congress, last-minute changes were being made as Democrats struggled to pick up votes. The lower Social Security tax increase

was aimed at luring Senator Dennis DeConcini, Democrat of Arizona, whose state has many retirees.

Democrats said the measure would impose \$242 billion in tax increases over the next five years — more than three-fourths of which would be paid by families and businesses earning more than \$200,000 annually.

A 4.3 cent per gallon increase in the federal gasoline tax, currently at 14.1 cents a gallon, was the only item that would directly hit most middle-class families — at an average annual cost of \$21.28 per car, according to federal figures.

The rest of the deficit reduction — \$254 billion — would come from slowing the growth of Medicare, cutting the military budget and other spending reductions.

Republicans, saying many of the spending cuts would never happen, said tax boosts outweighed program reductions by 2 to 1 and would stifle job creation.

POLITICAL NOTES

Oliver North Gearing Up for Senate Race

WASHINGTON — Oliver L. North, the Iran-contra figure and probable Republican candidate for the U.S. Senate from Virginia, spent \$500,000 on political activities in the first half of this year, building a sophisticated campaign-style organization more than a year before the election.

Documents filed with the Federal Election Commission show that V-PAC, a political action committee controlled by Mr. North, spent about \$499,700 from January through June.

It conducted extensive direct-mail fund-raising, paid for Mr. North's travel and retained well-known Republican political consultants as advisers.

Mr. North's spending dwarfed that of other likely Senate candidates, including the incumbent, Charles S. Robb, and Governor L. Douglas Wilder, both Democrats.

Mr. Wilder and two other potential candidates — Jay B. Stephens, a former federal prosecutor, and James C. Miller, a former federal budget director, both Republicans — did not disclose any fund-raising activities.

Mr. Robb did begin filling an empty campaign war chest, raising more than \$600,000 in the six-month period.

Aides say his campaign still has about \$500,000. Mr. North's V-PAC was about \$129,000 in debt as of June 30. (WFP)

Kennedy is Preparing for Challenge in '94

WASHINGTON — Taking nothing for granted, Senator Edward M. Kennedy has raised more than \$3 million for his 1994 re-election campaign. Federal Election Commission reports made available for public inspection showed that Mr. Kennedy, a Massachusetts Democrat, had on hand nearly five times as much money as he had at the same point in his previous campaign.

In that race, in 1988, he defeated the Republican candidate, Joseph Malone, with 65 percent of the vote. Last year, however, opinion polls indicated that Governor William Weld of Massachusetts would be a serious threat if he decided to run.

Former Transportation Secretary Andrew Card is considering entering the race. And the Massachusetts economy has been in a prolonged slump.

Most recently Mr. Kennedy has been closely allied with President Bill Clinton and has been active in advancing the president's domestic policy agenda. (AP)

Republican Foes Will Try to Block Elders

WASHINGTON — Republican opponents of Dr. Joycelyn Elders's nomination as surgeon general have pledged to try to stall her confirmation by the Senate this week in hopes of generating more opposition to her during Congress's monthlong summer recess.

"I don't see it happening this week," said Senator Don Nickles, referring to a Senate vote. The Oklahoma Republican has led the fight against Dr. Elders, calling her a "radical" because of her advocacy of abortion rights, sex education and condom distribution and raising questions about her personal finances.

Senator Edward M. Kennedy, Democrat of Massachusetts, said last week that he was determined to bring her nomination to a vote this week, and an aide said that this was still his intention. (WFP)

Quote/Unquote

Robert E. Juliano, a lobbyist who is championing the maximum federal tax deduction for business meals, left this greeting on his answering machine: "If the Good Lord was opposed to the three-martini lunch, he would not have planted all those olive trees in the Holy Land." (WFP)



Workers removing barriers scattered by floodwaters near Jefferson City, Missouri, so they can repair the highway.

A Levee Is Broken To Save a Town

By Ronald Smothers
New York Times Service

PRAIRIE DU ROCHER, Illinois — In a dramatic bit of flood triage, local officials and the Army Corps of Engineers breached the main Mississippi River levee near here Tuesday in an attempt to save this 18th-century French village and other towns downriver.

Officials hope that the deliberate breach — which will flood nearly 60,000 acres (24,500 hectares) of rich agricultural land — would create a buffer against the waters cascading south from levee breaks just upriver. The advancing flood already has collapsed levees to the north, officials said.

Mathew Hinn, an official of the U.S. Army Corps of Engineers, said the deliberate break along the Harrisonville-Strington-Fort Charities levee just north of this historic village of 700 citizens was intended to at least create an outlet for the flood waters from the north and ease the pressure on the levees of the village.

Those levees run perpendicular to the Mississippi along Prairie du Rocher Creek, a tributary just upriver from the village.

"It's going to be full of water here anyway," said Robbie Aubuchon, a village trustee, as he looked out from the levee toward the farmland that borders the village to the north. "So we might as well do something that will save the village and protect other towns downriver."

Before cutting the levee, Coast Guard divers opened floodgates on three drainage pipes to begin a slow process of inundating the bottom land.

Then, on Tuesday morning, the engineers cut through.

"She's flooding pretty good," said Ron Ingels of the town police. "This is our last hope. If it don't work, we're going to lose our town."

Mr. Ingels said it probably would be an all-day, all-night vigil lasting several days.

Dan Reitz, chairman of the county commission, called the move dramatic and risky.

He seemed less convinced of the outcome, and said it was a mistake for the officials to think of what they were doing as a controlled breach.

"We can't control this river, but this seems to be the only thing we can do to have any chance of stopping it," he said.

Prairie du Rocher, which is 30 miles (49 kilometers) south of St. Louis, began as a French trading post in 1722 and calls itself as the birthplace of Illinois.

The village is in the path of waters that first broke through on the Illinois side as the Mississippi approached a crest in the St. Louis area nearly 20 feet (6.1 meters) over flood stage. St. Louis was spared.

The decision to gouge a hole in the levee marks the first time in the Midwest flooding that the Corps of Engineers, in conjunction with local officials, had decided to take such a step, said Jim Brown, with the corps.

Away From Politics

- A new swarm of killer bees has been found in Tucson, Arizona, suggesting that the aggressive strain has penetrated farther into the state than previously thought. The only other state so far reached by the bees, who arrived from Africa through South America, is Texas.
- Agents sent to Pakistan to search for a suspect in several killings outside the headquarters of the Central Intelligence Agency near Washington in January have returned after running out of leads, the FBI said.
- Gayle Rosten, the 35-year-old daughter of Representative Dan Rostenkowski, Democrat of Illinois, was charged with possession of cocaine in Chicago after being stopped for running a stop sign, the authorities said.
- Frank Sapp, 53, a member of the Lucchesi mob family who headed South Florida operations, was charged in Fort Lauderdale in an alleged drug-smuggling operation, the authorities said.
- A suspect in the \$1.45 million kidnaping of the daughter of the casino owner Steve Wynn was arrested while trying to buy a \$200,000 Ferrari. FBI agents surrounded Ray Marion Cuddy, 47, as he tried to make the \$70,000 payment in Newport Beach, California. Mr. Wynn had paid a \$1.45 million ransom for the release of his daughter last month.
- The Los Angeles ban on smoking in restaurants went into effect when the city clerk's office declared that a coalition of restaurant owners had failed in a petition drive to put the issue before voters.
- Metropolitan Miami will soon begin imposing a 1 percent tax on restaurant meals to finance programs for the homeless. The move is in reaction to a federal court order.
- Water throughout New York City's system has tested clean. The flooding came following a week in which residents of two Manhattan areas were told to boil drinking water after tests found bacteria in scattered locations.

NYT, LAT, AP

BUDGET: Goal Met

Continued from Page 1

sion; the call to arms. For one reason or another, Mr. Clinton has failed to overcome the inertia of the established political system. The bill Congress will vote on later this week bears a striking resemblance to the budget agreement that President George Bush and Congress struck in 1990.

On economic stimulus, the president's \$30 billion, two-year spending plan died in Congress in the spring. It was killed by a Republican filibuster. But many if not most Democrats were unenthusiastic. It simply seemed illogical to many to throw more money at the same kinds of projects the government had been spending billions on for years at the same time that Congress and the president were straining to lower the budget deficit.

As for changing priorities, the deficit-reduction measure would reverse the tax trend of the Reagan years, when taxes on the wealthy went down and those on others went up. But spending directions would be changed only slightly.

The bill falls short of what the administration wanted as tax help for the working poor, investment incentives for business, additional money for food stamps, tax breaks for companies in poor neighborhoods, and funds for childhood immunization and family support.

The military budget would be cut sharply, and some of that money would be spent for education, nutrition and other areas that got short shrift in the Republican years. But the ambitious program Mr. Clinton advocated in his election campaign for new roads and bridges, communications and information networks and environmental technology are nowhere to be found. If the nation is on a new course, it is hardly perceptible.

Gene Speding, an economic adviser to the president, said that deficit reduction had to come first and the other priorities later.

"All of the things Bill Clinton talked about in the campaign as far as investing in people are still in line to happen," Mr. Speding said. "By taking control of the deficit, he has kept control of his agenda."

Maybe so. But it is hard to escape the parallels between this budget measure and the one Mr. Bush signed three years ago. Like that agreement, this measure would lower the deficit from what it would otherwise be by nearly \$500 billion over five years. As was the case then, this would be accomplished largely through increased income taxes on the wealthy, a modest rise in the gasoline tax, reduced military spending and limits on the growth of Medicare spending through lower rates for doctors and hospitals.

It is the way, perhaps the only way, to take a bite out of the deficit without affecting the vast majority of Americans. All that middle-income working Americans would be asked to pay in the name of deficit reduction is a few more dollars a year for gasoline at a time when the price at the pump, adjusted for inflation, is the lowest in decades.

Shared sacrifice sounds attractive in the abstract. In the specific, it is viewed as bad politics.

Ronald Reagan changed the core of American politics with his pain-free approach to paying for government, and Mr. Bush followed in the same vein. Now, as the columnist Michael Kinsley has written, Mr. Clinton has "bought into the central lie of American politics — that our problems can be solved without asking anything of the middle class."

Mr. Clinton was elected on a promise to cut the taxes of the middle class. Of course, he reneged and actually proposed an across-the-board energy tax that not only would have raised more than \$70 billion over five years but also would have had some benefits for conservation and the environment.

When Congress eviscerated the energy tax, the president took the setback in stride. Even with the new budget legislation, the national debt would grow by \$1 trillion over the next five years. But Mr. Clinton is still saying publicly, although few believe him, that he expects to recommend middle-income tax relief during his term.

Anatomy of Tax Changes in Bill

WASHINGTON — Highlights of the deficit-reduction bill whose tax provisions were approved by negotiators for Congress and the White House:

• Deficit reduction: About \$496 billion over five years. This includes tax increases of about \$150 billion; spending cuts and restraints and interest savings amounting to \$254 billion.

• Individual income taxes: The current top rate of 31 percent would rise, retroactive to Jan. 1, to 36 percent. This would apply to taxable income — after deductions and exemptions — above \$115,000 for single people and above \$140,000 for couples. In most cases, that would not affect singles with gross incomes less than about \$140,000 and couples less than about \$180,000. A 10 percent surtax would be placed on taxable income above \$250,000.

• Social Security benefits: Starting next year, those whose incomes, including half their Social Security, exceed \$34,000 (single) or \$44,000 (couple) would pay tax on up to 83 percent of their benefits. Those with incomes between \$25,000 and \$34,000 (single) or \$33,000 and \$44,000 (couple) would continue being taxed on up to 50 percent of their benefits.

• Energy: Taxes on gasoline, now 14.1 cents a gallon, and diesel, now 20.1 cents, would rise by 4.3 cents Oct. 1. Commercial planes would be exempt through Sept. 30, 1995.

• Medicare tax: Effective Jan. 1, 1994, the \$135,000 limit on the amount of annual wages and self-employment income subject to the Medicare tax would be eliminated.

• Corporate income taxes: The current 34 percent top rate would rise to 35 percent for taxable income above \$10 million, retroactive to Jan. 1.

• Earned-income credit: Starting next year, this special tax cut or outright payment to the working poor would be increased by about \$4 billion a year and include a small benefit for childless people between ages 25 and 64. Under current law, the maximum credit is \$2,364; it would rise to about \$2,600 next year and higher in subsequent years.

• Business deductions: Effective next year, the portion of meals and entertainment costs that could be deducted as a business expense would drop to 50 percent from the current 80 percent. Club dues and lobbying expenses would no longer be deductible.

How Depression Hides on Job

By Boyce Rensberger
Washington Post Service

WASHINGTON — One of the hardest places to spot and help a suddenly depressed person is at work, especially if he or she is normally one of the organization's most effective and reliable performers.

The military budget would be cut sharply, and some of that money would be spent for education, nutrition and other areas that got short shrift in the Republican years. But the ambitious program Mr. Clinton advocated in his election campaign for new roads and bridges, communications and information networks and environmental technology are nowhere to be found. If the nation is on a new course, it is hardly perceptible.

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The reason women are more prone to depression is unclear, but psychiatrists attribute their relatively low suicide risk to women's tendency to have more friends and to be more willing to discuss their feelings and to go to a doctor.

"Men tend to get caught up in the stiff-upper-lip syndrome," Dr. Goodwin said. "They don't often give others a chance to offer help."

On the job is often the last place a man will show signs of depression, he said.

Another problem in detecting suicidal depression on the job is that people who have finally made a decision to kill themselves may suddenly seem to be fine. "Some people get fooled," Dr. Goodwin said. "They think everything's O.K. now."

There are two reasons, Dr. Goodwin said. One is that workers like Mr. Foster by all accounts normally function at such a high level of performance that even after a significant decline, they still perform at least as well as ordinary workers. The second is that colleagues' high expectation and admiration of such individuals often makes it hard for them to see the changes that can be a warning.

In Mr. Foster's case no one around him has said they were aware of any serious problem.

Numerous research studies indicate that women are about twice as likely as men to become depressed but that men are three or four times as likely to kill themselves.

Senate Backs Bill On Public Service

WASHINGTON — The Senate on Tuesday passed President Bill Clinton's plan for students to receive college tuition subsidies in exchange for two years of community service.

The 58-to-41 vote ended a partisan dispute in the Senate over the legislation, which was scaled back from Mr. Clinton's original five-year, \$9.5 billion proposal to a three-year program costing \$1.5 billion. The measure now goes to a House-Senate conference committee.

The House last week adopted broader legislation that would cost \$2.1 billion in the first three years of a five-year program. Under both bills, students who completed two years of community service work would receive \$4,725 a year to apply toward their college tuition.

Postal Service Sees a Loss

WASHINGTON — The U.S. Postal Service expects to lose \$500 million in this fiscal year, which ends in September.

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OPINION

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High Time to Get Tough

You could read it on the front page. Administration officials, speaking on condition of anonymity, have been proclaiming this week that Bill Clinton is getting tough. First a greenhorn State Department spokesman said the United States would use air strikes to defend Sarajevo whether or not NATO allies agreed. Then President Clinton said it wasn't exactly like that. Then one of those handy nameless officials said, oh, yes, it was.

O.K., so it wasn't pretty to watch. These days, you take signs of White House resolve — of any kind, on any issue — where you can find them. And on this issue, the Clinton administration is picking the right time to try to threaten convincingly.

Having learned, at some cost, the distinction between passive consultation and alliance leadership, the administration wanted its NATO partners a serious plan for using air power to prevent the destruction of Sarajevo and put constructive pressure on the Geneva peace talks.

Washington's purpose is not to re-light a lost war but to stabilize the endgame, saving innocent lives and deterring aggressors from once again mocking their own pledges of compromise peace. That is why the administration is acting now, with peace negotiations in a delicate phase and Sarajevo under its heaviest attack of the war.

Months ago the Security Council authorized NATO air strikes to assure the delivery of humanitarian supplies and protect United Nations peacekeepers deployed in Bosnia's besieged cities. Mr. Clinton would now extend the mission to prevent the fall of the most symbolically important of those cities, Sarajevo.

Should the threat of air strikes not prove sufficient, F/A-18 attack fighters and A-6 bombers based on aircraft carriers in the Adriatic could silence most of the heavy Serbian guns around Sarajevo with laser-guided

bombs in a few days of concentrated attacks. If necessary, low-flying A-10 "Warthog" planes now based in Italy could hit Bosnian Serbs' tanks with high-tech infrared-beam-guided missiles, the same combination used against Iraqi armor during the Gulf War.

Washington has threatened air strikes before, but then backed off after European allies argued that such action would disrupt peace negotiations, endanger UN troops and further provoke the Serbs. But Serbian leaders themselves have refused all those arguments by their brazen duplicity at the bargaining table and unrestrained attacks, even on UN forces.

The fact that Europeans on UN duty have themselves come under Serbian attack has now begun to break down long-standing British and French objections to allowing partiality between Bosnia's Serbian and Croatian militias and its Muslim-led government. Early on Tuesday, NATO ministers conditionally endorsed the Clinton proposal.

Ideally, the credible threat of NATO air strikes would be enough to assure good-faith bargaining and deter further assaults on Sarajevo. But perhaps not. In any event, Washington needs to be absolutely clear about the limits of its military involvement, both strategically and tactically. It should not act unilaterally. It should not directly enter the war, even on the side of the legitimate government, but confine itself to protecting civilians and encouraging a political settlement. And it should avoid ground combat involvement for any purpose.

Even with these cautions, the Clinton proposal marks a clear advance over the fumbling effort to organize the allies a few months ago, when Secretary of State Warren Christopher's mild suggestions were brushed off by Britain and France. Now Mr. Clinton has clumsily, but more forcefully, told NATO what it must do. And it seems to be listening.

—THE NEW YORK TIMES.

If the Serbs Defy Clinton In Sarajevo

By Jim Hoagland

WASHINGTON — Now? You want to bomb the Serbs now, just as they are about to win the war? That was the question I put to a senior government official the other day, to express my confusion over the Clinton administration's tardy decision to get serious about military intervention in Bosnia after months of agonizing and reversals.

I had concluded weeks ago that the once feasible option of limited air strikes against the Serbs had been overtaken by events. Doing it now risked doing the right thing for the wrong reasons at the wrong time. But the Clintonites never cease to surprise. Here is an approximation of the conversation that followed:

Me: Why now? When the Serbs have defeated the Muslim-led Bosnian government and after the administration pushed the Muslims into formally accepting partition and defeat at Geneva?

Senior Government Official: We have to make sure that Sarajevo stands. Without Sarajevo, there can be not even a rump Bosnian state. And the Serbs have to get the message that they cannot move on to Kosovo or Macedonia. There may be only one way to accomplish these goals.

Me: But bombing the Serbs now to keep them out of Sarajevo will not change the strategic situation or alter the Serbian conquests that the partition plan legitimizes. It is as if the crisis has shrunk to a size that the Clinton administration can now handle.

SGO: You are not wrong to put it that way. This is the final paradox of the Bosnian tragedy. It is urgent enough, and small enough, for the Clinton administration to act.

Me: But the Clinton administration is not acting alone. It is acting with NATO allies and his own generals from using force before. Bill Clinton has had to wait until the Bosnian crisis shrunk to a manageable dimension to find ways to influence it. Like the travelers forced into the only bed that Procustes had available, Bosnia has been cut down to a size that fits the limited military resources that the U.S. administration could devote to it.

Behind the smoke hanging over this capital for months there is suddenly some fire. The military task that President Clinton and Defense Secretary Les Aspin have proposed to General Colin Powell and the Joint Chiefs of Staff are limited enough that General Powell will at last seriously consider



them. The slippery slope that he and his commanders feared five months ago looks more like a muddy ditch that can be forded without great risk to American soldiers.

Partially because of the Clinton administration's tardy decision to get serious about military intervention in Bosnia after months of agonizing and reversals. The Clinton administration has committed 20,000-plus American soldiers and other foreign forces to policing a 10-district multiethnic Bosnian state. That was the Pentagon's worst nightmare.

Friday's partition agreement thus makes U.S. air strikes against the Serbs more likely, not less likely, if the bloody Serbian assault on Sarajevo continues anyway. The Pentagon seems less afraid of Mr. Clinton leading the United States into a Balkan quagmire by trying to use force to reverse Serbian territorial conquests.

But the partition accord imposes a strong moral imperative on the Clinton administration as well. It was under heavy but unacknowledged American pressure that the Bosnian government headed by President Alija Izetbegovic agreed in Geneva to a three-state partition that leaves the Muslim population occupying a rump state centered on Sarajevo.

Mr. Izetbegovic came to Geneva defending the once-fragrant Bosnian state that declared its independence last year. But he caved after being told by the Les Aspin have proposed to General Colin Powell and the Joint Chiefs of Staff are limited enough that General Powell will at last seriously consider

Serbian forces. Air strikes would not signal "that the calvary is coming," Mr. Izetbegovic was told.

How effectively America can use limited force in this chaotic situation is very unclear, even for intelligence experts. "I don't see a snow-edge call," said one.

The Bosnia defeat and the partition agreement ratify the emergence of Slobodan Milosevic's Serbia as an important regional power in the Balkans. Mr. Clinton's earlier plan to combine air strikes and a lifting of the arms embargo against Bosnia horrified European allies, who feared that these steps would be insufficient to prevent Serbian victory but damaging enough to leave Europe dealing with an angry and vengeful Serbia far into the future.

America's task now is to minimize the consequences of the defeat that it has encouraged the Bosnian Muslims to accept. Bombing the winners of a war is not an obvious strategy. But if the Serbs defy Mr. Clinton in Sarajevo, the president would have no honorable alternative to carrying out, at long last, his threat.

It would be folly at this point to use military action for other purposes, such as obscuring the devastating political failure that the Bosnia defeat represents for the international community, or to ease guilty consciences. There is no reason to suspect that such moves are at play in the decision to prepare air strikes now. Washington and its allies must ensure that it remains the case as they pursue this belated intervention.

The Washington Post.

A System That Failed To Serve

By Geoffrey Bell

NEW YORK — Over the week-end, the European finance ministers and central bankers threw in the towel and all but in name abandoned the exchange-rate mechanism. Of course they looked for a fig leaf to cover up this debacle and are pretending that the system still essentially remains in place. But, except for the Dutch, exchange rates are now permitted to vary up and down 15 percent from the central parity instead of the old 2.5 percent, which to any outsider amounts to a free float and an effective end to the experiment of exchange-rate mechanism.

Inevitably, there will be endless technical and political postmortems about what happened, but there is little doubt that the mechanism failed because it has become too rigid.

The interesting question is why politicians and bureaucrats let this happen, standing by as the conflicting economic needs of countries within Europe destroyed the basis for the system and wasting billions of dollars of taxpayer money trying to play latter-day currency equivalent of King Canute in the markets.

Sadly, the truth of the matter is that for too many officials, the exchange-rate mechanism became an end in itself rather than a means of helping the economic welfare of Europeans. Much of this started with the politicians deciding that the shortest route to European political integration was to establish a single currency. If this could be achieved, there had to be one central bank, one budgetary policy and the like, which meant one political unit. Consequently, the exchange-rate mechanism quickly became the symbol of the European will to achieve full political union.

Rather than allowing currency relationships to follow the political process, the reverse was attempted, which is another way of saying that the politicians put the currency cart in front of the political horse.

Making matters worse, there has been an unwillingness to recognize that economic conditions have changed in the last two years. Until then, it may have made sense to use the Deutsche mark as the anchor in the fight to reduce inflationary pressures in Britain and France. A close currency linkage meant that interest rates had to be held at German levels, but as the European recession began to deepen this policy made less sense.

The cost of reunification and the growing structural problems of the German economy exacerbated these tensions as interest rates rose to levels never previously thought possible at a time when other countries needed lower and not higher interest rates to deal with falling levels of output.

What is fascinating is why ministers did not allow exchange rates to move up and down within the system on a regular basis. This would have given the exchange-rate mechanism more flexibility and permitted interest rates to vary from one country to another without involving currency speculation.

While all of this is water under the bridge, there is still a surprisingly large vested interest group that will oppose to reduce the exchange-rate mechanism together with the Humpty Dumpty. The number of economic officials, central bankers and academics involved in European monetary union is legion, and at least one major raison d'être of their business disappears with the demise of the exchange-rate mechanism.

Fortunately, the reality is that any attempt to impose a new degree of exchange-rate rigidity will invite another round of currency upheaval. More importantly, the next stages for European growth are extremely uncertain. The optimists believe that with some reduction in interest rates, growth will be positive again in 1994. This may happen, but it is more likely that growth will be slow to respond. Also, there is no reason why the recovery in France should be the same as Britain or Germany, and, with very large budget deficits throughout the Continent, fiscal policy is in a bind. Against this background, floating currencies is the only realistic arrangement.

If in the future it suits the major countries of Europe to have similar interest rates and exchange rates that will follow naturally and not be forced by a preset mechanism. The lesson is to ensure that the political horse comes in front of the currency cart on the path to integration.

The writer is an investment banker in New York and executive secretary of the Group of 30, which bridges together international bankers and economists. He contributed this comment to the International Herald Tribune.

What European Union?

Europe's currency system has now exploded, and the results will reach far beyond the arcane technicalities of finance. The dozen countries of the European Community were working toward a single currency that was to be the great symbol of a Europe unified not only in economics but in security and foreign policy as well. Only 15 months ago the Europeans seemed to be sailing serenely toward that goal. Now this whole grand enterprise has been damaged severely, perhaps fatally, by the upheavals in the currency markets.

What went wrong? The immediate cause has been a series of mistakes by the Germans. Their reunification is costing vastly more than they expected, but Chancellor Helmut Kohl, for Bush-like reasons, will not close the gap with taxes. The result is a substantial budget deficit, and Mr. Kohl has to rely on high interest rates to control inflation.

But the Europeans had linked their exchange rates tightly together as a preliminary step toward a unified currency. To keep them together they all had to raise their interest rates to match the Germans. Last September the British and Italians dropped out of the system, finding the price too high. But, as in everything concerning the European community, the crucial relationship is the one between France and Germany. The French hung on grimly, although both economies were sliding into a deep recession.

The unemployment rate in France is now approaching 12 percent and still rising.

The remedy is to cut interest rates — but German voters are much less tolerant of inflation than say, Americans. The decision was up to the German central bank. It made a tentative move last week hinting at a substantial rate cut, but then apparently changed its mind and held fast to present policy. With that, speculators began selling French francs faster than any government could to buy them. It forced the European finance ministers' emergency Sunday meeting that, at nearly 2 A.M. Monday morning, wearily agreed to relax the links among their currencies. That lets the franc fall and the mark rise.

And that, in turn, will make the recession less severe in France although worse in Germany. But the political consequences of these choices will leave a deeper imprint than any economic effect. These events will add to the fears of the other European states, while Germany's power has grown greatly, it will be guided in a crisis by parochial decisions of internal politics regardless of its neighbors' needs and interests.

All of this happened, ironically, as the Maastricht treaty was ratified at last by Britain. It is the treaty that would establish a European union with a single European currency. Whether any of it will take effect is now an open question.

—THE WASHINGTON POST.

A New Japan Gets a Less Than Sainly Coalition

By Gregory Clark

TOKYO — The election of Yohei Kono as head of Japan's still ruling Liberal Democratic Party has produced a curious paradox. On the face of things, a coalition under the reform-minded Morihiro Hosokawa is about to replace a right-leaning, corrupt LDP government. But Mr. Kono in fact has much stronger liberal and reformist credentials than Mr. Hosokawa.

Mr. Kono defected from the Liberal Democratic Party to set up the New Liberal Club back in 1976, in a vain bid to end political corruption in the wake of the Lockheed scandal involving former Prime Minister Kakuei Tanaka.

At the time, the conservative Mr. Hosokawa belonged to Mr. Tanaka's parliamentary faction

The good news is that the changes under way in Japan are so profound that even the LDP feels it has no choice but to elect someone like Kono as its leader.

and refused Mr. Kono's invitation to defect. Mr. Kono later returned to the Liberal Democratic Party, this time as a member of the relatively clean but weak Kichii Miyazawa faction, and spent years in the political wilderness as a result.

Now it is Mr. Hosokawa who is being swept to power, thanks mainly to LDP defectors from the highly corrupt former Tanaka faction claiming to be upset by LDP corruption.

Some see the recent lower house election as a victory for reformists. In fact it was a crushing victory for conservative or conservative-leaning forces. From a pre-election total of much fewer than 300 seats they jumped to more than 350 seats.

The paradox has both a good side and a bad side. The bad side is that Mr. Hosokawa's coalition-building is not quite the victory for the forces of reform that his supporters like to claim. It has involved political compromises, all of which could cause trouble in the future.

The good news is that the generational and political changes now under way in Japan are so

profound that even the Liberal Democratic Party feels it has no choice but to elect someone like Mr. Kono as its leader. And Mr. Hosokawa has moved a long way from his conservative, semi-aristocratic origins.

Much of Japan's political history is the once-ardent LDP and the prospect of new faces replacing old ones. It is almost as if Mr. Hosokawa and his band of political innocents called the Japan New Party had inadvertently triggered a reformist avalanche that had been waiting more than three decades to happen. Even the dozens of big business are cheering the promises to put an end to big business collusion with the politicians. Even the LDP managed to abstain from its usual factional bribery and skulduggery to elect Mr. Kono as leader.

We are seeing in Japan an emotional flip-flop almost on the scale of the switch from militarism to pacifism after its 1945 defeat. We might even see a retreat from the worrying drift to hard-line nationalism in recent years.

The coalition wants Japan to make a formal apology to the Asian peoples it victimized in the past. Mr. Hosokawa is also unhappy about the ugly way Japan's participation in UN peacekeeping operations is being used to boost the status of the military in Japan. Mr. Kono's anti-nationalist credentials once made him anathema to the powerful LDP right wing.

Contrary to the myth of the switch from militarism to pacifism after its 1945 defeat, we might even see a retreat from the worrying drift to hard-line nationalism in recent years.

Each other and politics will be clean. But it is also a highly feudalistic, group-oriented society. Being nice to people can easily mean supporting my group, right or wrong, regardless of lack of principle involved. Hence the ugly factionalism and nationalism, especially among conservatives, that blots the Japanese scene.

In politics it means voting for the person who gives me presents, attends my family's wedding, sends condolences to funerals and includes me in a *kenkaai* (political support group). Hence the scope for political corruption, especially among

conservatives. This in turn creates the clean politician's dilemma. To reform the nation you have to get yourself elected, and to get yourself elected you have to spend corrupt money.

Even the conservative politicians dislike this situation. They, too, are unhappy about having to hobnob with gangsters, bow to money-busied businessmen and now face the increasing risk of suspect and arrest involved in the constant search for money to win elections.

But how to change things? For the past year, some have liked to believe that changing Japan's maligned electoral system was the answer. In fact it would change little. But the issue came to symbolize forces of reform pushing forces of darkness. When the Liberal Democratic Party stalled on the issue, various LDP reformists and caretakers saw the chance to defect from the unpopular party and set up rival groups. A volatile electorate was happy to accept this, especially if their groupings included the word "new" in the name.

These flawed origins of the Hosokawa coalition are of course worrying. With highly disciplined Buddhist-oriented Clean Government Party, once to dominate the loosely organized coalition, will Ichiro Ozawa; that supreme caucus and back-room fixer from the corrupt Tanaka-Takenaka faction, be pulling too many strings?

On the other hand, we have the fact that someone like Yohei Kono can come to head the Liberal Democratic Party. Like his political mentor, Mr. Miyazawa, he represents the clean, honest, liberal and intelligent in their respective parties. How the seat-trading Mr. Miyazawa has had to bow to power brokers such as Mr. Ozawa to win office, Mr. Kono, his junior by a generation, will also win office with his head erect. That more than anything else symbolizes the new Japan.

Seventeen years ago I published a book here predicting that Mr. Kono and the right-wing nationalist Shintaro Ishihara represented the political choices for Japan in the future, and that it was likely that Mr. Ishihara would win out. Mr. Ishihara recently made an unsuccessful run for power. But he has greatly moderated his nationalism. And in the Liberal Democratic Party at least it is Mr. Kono who has won out. I am delighted to have been proved wrong.

International Herald Tribune.

Churches and Bombers

When terrorists bombed Florence's Uffizi Gallery in May, a shocked population nevertheless rallied, making preliminary repairs that had the museum reopened within a month. That kind of pride and nerve will be even harder to sustain this time after the July 28 reprise of the same tragedy, in which late-night car bombs killed five people in Milan and badly damaged two central monuments in Rome. One of the Rome buildings, not far from the Vatican, is the church where the pope presides in his capacity as Bishop of Rome; of an archway in a 7th-century church, only a few stones are reportedly left.

With all Italy's overlapping political scandals and investigations, as well as two apparent suicides by highly visible people, it may seem difficult to muster special outrage for these attacks on history and culture. And as in the Uffizi bombing, each of these cultural deprivations has carried with it human ones in the form of casualties.

Still, there is a line being crossed here. There

is a special barbarity in the targeting of irreplaceable cultural patrimony, a declaration by the as yet unidentified perpetrators that certain widely agreed-upon human values, thought to transcend politics or policy differences, no longer occupy any separate zone. Unlike in wartime air damage, the perpetrators and their broader intentions remain a mystery.

It remains a theme of much official and street speculation that Mafia forces, increasingly hard-pressed by the government's continuing cleanup and criminal investigations, seek to sow a general panic and destabilization in the society. But it is becoming obvious also that these and other violent attacks — aimed symbolically at the broad public itself — produce at least as much in galvanizing anger as they do in disruptive panic. It is that anger, together with redoubled efforts to find the culprits, that must be sustained if this pernicious new form of terrorism is not to spread to conflicts elsewhere.

—THE WASHINGTON POST.

Can Secularism in India Survive These Storms?

By Khushwant Singh

NEW DELHI — In India, a good many people believe that God's gift to the government was not the secularism but the unity for the bounty of nature. This sense of unity, many rivers are in flood and large tracts of arable land are under water. We are saddened by the number of people drowned, but hope that the waters will subside and ensure bumper harvests. This monsoon season, however, may be different.

Last week's session of the parliament started off by considering a resolution of no-confidence in Prime Minister P. V. Narasimha Rao and the ruling Congress Party. Extreme-right Hindu fundamentalists and extreme-left Communists joined hands against his government.

The Communists condemned the government's free-market economic policies and its failure to check the onslaught of religious fundamentalism. The Hindu radicals, who support the economic liberalization and do not have many grievances over the handling of sectarian violence, have concentrated their fire on corruption at all levels, including charges that Mr. Rao received illicit money.

Ultimately, the no-confidence motion was defeated by 14 votes. Now, people ask, how long will Mr. Rao last? What will be the shape of India's democratic edifice if the government goes down the next time? Above all, what will happen to the secular traditions to which all parties pay lip service?

Mr. Rao had an uneasy tenure from the day he was sworn in as prime minister a little over two years ago. His party did not have a clear majority and depended on smaller parties. The main opposition comprised right-wing Hindu parties,

which also won majorities in four out of six states, but were not sure of gains elsewhere. In the last two years, however, Hindu right-wingers have gained ground.

The Congress Party's following eroded as it distantly failed to stem the rising tide of Hindu fundamentalism in north India, and Mr. Rao's name was blackened by charges that he received money from a stockbroker. Though he denied the charge, opinion polls show that a sizable portion of the urban population is not inclined to believe him.

Corruption has reached a record high at all levels. Although the government has survived the no-confidence motion, Mr. Rao's future as party leader is in jeopardy. The Congress Party, which has ruled India for more than 43 years since independence, is unsure of winning the next general election.

Some foreign India-watchers go further and fear that India is on the verge of breaking up in the same way the Soviet Union and Yugoslavia did. Even if India survives as a nation, its democratic institutions will be in danger and Hindu fundamentalists will sound the death knell of secularism.

What then will be the fate of religious minorities such as the Muslims, Christians and Sikhs?

Hindus form 85 percent of the population. Despite paying lip service to secularism, this basic Hindu identity has manifested itself. Smeared on the walls of many cities is the slogan, "Say with pride we are Hindus."

British for 200 years and, before that, by Muslim dynasties more than 600 years. Hindus had many historical powers to settle. First, attempts were made to replace English with Hindi, which was made the national language. The move was frustrated by fierce opposition from regional languages, and English remains the main means of communication.

Then a campaign was launched against Christian missions. Several missionaries were accused of being secret agents and expelled. Prominent Indians rose to the defense of Christian missions and pointed out that many of the best schools, colleges and hospitals were, and still are, run by missionaries.

Muslims have proved easier targets. Hindu fundamentalists have taken a leaf out of the story of the Nazi rise to power in Germany. Hitler maintained that a nation could not be strong unless its people were of the same race and religion, and he argued Jews and Gypsies to create an Aryan Germany. Hindus of north India also claim to be of Aryan descent picked on Muslims, most of whom are converts from Hinduism. Muslims are held responsible for the division of India and the creation of Pakistan.

In the Hindu-Muslim riots that broke out after the demolition of the mosque in Ayodhya, most of the casualties were Muslim. In Bombay, two paramilitary Hindu organizations indulged in ethnic cleansing by attacking Muslim localities and businesses.

The most disturbing development is the increasing number of senior civil servants, intellectuals and journalists who have begun to talk the language

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1893: Scene at Guillotine

HAUTMONT, France — A double execution took place at daybreak yesterday (Aug. 3). Clays and Degroote were found guilty of the murder of the servant of the curé. When awakened and informed of their approaching doom, Clays said: "They are going to execute an innocent man." He blamed Degroote, who merely smiled. It was Degroote's turn first. He walked firmly to the scaffold. It was not till his head was in the "metette" that he began a vain and brief struggle. Clays also walked firmly to the instrument of death. But once he had been placed upon the guillotine, he began a terrible struggle for life. His neck was placed under the knife with great difficulty.

1918: Pershing's Award

PARIS — General John Pershing, Commander of the American Forces, has received the Grand Cross of the Legion of Honor. Mr. Clemenceau, Minister of War, addressed the fol-

lowing telegram: "I take pleasure in announcing to you, my dear general, that the Government of the Republic has decided to promote you to the rank of the Grand Cross of the Legion of Honor. France will never forget that it was at the moment when the struggle was at its hardest that your valiant troops joined with ours."

1943: 'Respectable' Italy

LONDON — [From our New York edition:] Foreign Secretary Anthony Eden told the House of Commons tonight (Aug. 3) that the Allies would be "only too ready" to adopt a "respectable attitude" toward Italy. He said that with the departure of Benito Mussolini Italy took on a different status. "We are anxious to see Italy accept the unconditional surrender she was offering to us long ago," he said. "We are anxious to see her turn the war over to us as vigorously as Germany. We are anxious to see a peace in which Italy can play her part as a respectable nation."

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OPINION

The U.S. Senate Is Getting Less Representative of the Country

By David S. Broder

WASHINGTON — How, one may ask, does it happen that a man who is unknown to most Americans, one of 100 senators and a freshman at that, can dictate energy policy and much of fiscal policy as well to the entire nation?

The short answer is that Bill Clinton, desperate for votes for his budget, cannot afford to lose any more of the 49 Democrats who supported it in the earlier round of voting, when Vice President Al Gore cast the tie-breaking vote to keep it alive.

Nowadays, senators mount their own campaigns and essentially operate as individual political entrepreneurs, not to say prima donnas.

national Convention who in 1787 devised the "Connecticut Compromise." It made membership in the House of Representatives proportional to population but decreed that each state, regardless of size, would have two senators. It was a brilliant piece of statescraft, which ended a bitter big

state vs. small state battle and sent the constitution on to ratification.

Through more than two centuries, the principle of federalism embodied in Sherman's plan, in Article IV and in the 10th Amendment, has served the country superbly well, enabling Americans to achieve flexibility in the system without continuity. But like everything else in politics, it comes with a price — and Mr. Kohl's power play last week dramatizes that price.

While large- and medium-sized states like Texas, Illinois, Michigan, Washington, Missouri and Georgia provide the leaders of the two parties in the House,

their counterparts in the Senate come from smaller states like Maine, Kansas, Kentucky, Wyoming, West Virginia and Mississippi.

All this may simply reflect the modern application of Sherman's famous compromise. But there are other changes inside the Senate which were not contemplated by the founders — changes which make it even less representative than it might otherwise be.

For one thing, it has become a haven for the wealthy. No fewer than 27 of the hundred senators, including Mr. Kohl, are millionaires, according to a compilation of their financial disclosure forms by the Capitol Hill newspaper, Roll Call. Only seven of the hundred are women. Only one is an African-American. Latinos are totally absent. Economically and sociologically, this is an elite group — whose members can easily afford to defy presidents, parties or even public opinion.

strong enough to exert some real influence on the selection of Senate nominees. Nowadays, senators mount their own campaigns and essentially operate as individual political entrepreneurs, not to say prima donnas.

One indication of this trend can be found in the fact that one-fifth of today's senators held no elective office of any kind before coming to the Senate.

Like Herb Kohl, they simply saw the Senate as a place where they could make a mark — and they went for it. Mr. Kohl financed his election in 1988 with \$7.5 million of his own money, wiping out his primary- and general-election opponents with the most expensive campaign Wisconsin had ever seen. Still, his Senate seat cost him substantially less than the \$18.5 million he spent on his basketball team, the Milwaukee Bucks.

The Washington Post

When Jobs Go Away, Never to Come Back

By Bob Herbert

NEW YORK — Scott Scanlon was blum, and it was enough to make you shudder. "When people talk about economic recovery," he said, "people tend to think that means more jobs. There's not going to be a recovery in jobs."

Mr. Scanlon is chairman of Hunt-Scanlon Publishing in

MEANWHILE

Greenwich, Connecticut. It publishes a newsletter, Executive Search Review, aimed at senior-level executives who are looking for work. Some have been looking for two or three years. For many, the search is hopeless.

The jobs are gone. Connecticut's D'Agosta of the Whitestone, Queens, section of New York City was once a vice president for human resources at a company that was the target of a hostile takeover. She joined the job search in 1989 and what she encountered was frightening. "For every job on my level, 500 to 1,000 people were applying."

Ms. D'Agosta turned to consultant work and now counsels others who are unemployed. "What I am seeing is incredibly emotional," she said. "The pain, the anguish, the trauma. People are hurting. It's almost like a death in the family."

It is difficult to overstate the importance of a job — and the outlook is poor. Even companies that are doing well are downsizing. Procter & Gamble, despite record earnings, has just announced that it will eliminate 13,000 jobs.

John Cammidge, director of employee relations for Bank of America, is among those who call the phenomenon "right-sizing." It's a cold term for a cold procedure. In many cases, employees who have been with major companies for 10, 15, 20 years or longer are being hustled out the door. At Bank of America, Mr. Cammidge said, "We needed to shed people to meet customer flow."

"Realistically," said Mr. Scanlon, "companies just don't need all the people they've had in the past."

"It's very scary," said Bill Belknap of Ridgewood, New Jersey, a former executive who now does consulting projects. "American companies are really learning to do it smarter, and

that means with fewer people." No one disputes the trend. Companies struggling through a weak economy are pushing profits up by pushing employees out. Very few good new jobs are being created to replace the ones that are being lost. All types of workers are affected, from gang-boss men and women at the highest levels of the corporate hierarchy to kids fresh out of high school and college.

Which leads to a question. How do you sustain a fragile economic recovery while decent jobs are vanishing? Who will be spending the money to power the recovery, especially at a time when the government is raising taxes and restraining its own spending in an effort to reduce the deficit? And what will be the effect of additional taxes to finance health-care reforms?

"There is nothing to suggest that we'll have any significant expansion of the economy," said Markley Roberts, an economist with the AFL-CIO's department of economic research. "The stimulus originally proposed by Clinton was not as big as we had hoped but that's been ground down. There's damned little left."

The federal government is contributing to the assault on jobs. The Senate Armed Services Committee has endorsed the recommendation of the base-closing commission to shut down 130 military installations and scale back operations at another 45. Not only will federal jobs be lost, but also the jobs of thousands of civilians whose work depends on the existence of the installations. And NASA has announced plans to eliminate 2,000 jobs as it reduces the scale of the space station.

Not nearly enough attention is being paid to America's employment problems. There is general agreement that the budget deficit needs to be reduced and government spending brought under control. But as the fervor for deficit reduction has grown, serious talk about government investment and other strategies to stimulate employment has faded.

The real issue is jobs. Any attempt at economic recovery is threatened by the millions of Americans who are unemployed, and the millions more who are underemployed.

The New York Times

LETTERS TO THE EDITOR

The Unfinished Business of Europe

Does Europe really exist? That has been the unanswered question while we all hoped that something like "Europe" was emerging slowly and painfully for the sake of peace and prosperity, something which would put Europe's demons of nationalism and war finally to rest.

Aug. 1 will go down in the history books as the day that gave us the answer. No, Europe does not exist. In Geneva, the carve-up of Bosnia neared completion and "Europe" confirmed yet again that it would not stop ethnic cleansing and the changing of frontiers by force, even when the force was only a ragtag Serbian army of 135,000.

And in Washington, the State Department said the United States was ready to go it alone and use force to protect Sarajevo even if "Europe" did not go along, widening further the growing gap between Europe and the United States as America turns to the Pacific.

And in Brussels, the European Monetary System was in effect abandoned, leaving Europe's interest rates to go their own way, and meaning that the Maastricht goal of a single European currency and economy were also abandoned, no matter what the politicians say as they try to salvage some credibility from the wreckage.

So where do we go from here? Europe's destiny remains where it has always been, in the hands of the people of Europe. But it is very late and if the people of Europe do not take control of their future, war

(and ethnic cleansing) will continue to be the "usual condition" of Europe, as a Russian anarchist put it a century ago.

FRANCIS M. S. PEEL, Geneva.

Regarding "The Way Ahead for Europe Is Back to Practicality" (Opinion, July 29) by William Fjell:

It is encouraging to see a journalist recognize, however vaguely, some of the problems of European monetary union. And more politicians, indeed some bureaucrats, in Bonn, Paris and Brussels seem now to be comprehending the complexities and penalties of an early single currency. Restored pragmatism, plus a bit of healthy skepticism, bodes well for an ultimately successful rapprochement in Europe.

The genuinely troublesome aspect of European union is cross-border mobility in the labor markets, which theoretically exists already in the single market treaty. The Common Market (and intergovernmental political union) is still viable with this liberalization sharply abridged. But a single currency (and supranational unification) would not be.

Without the relief mechanisms of adjustable exchange rates and differential interest rates, real wages in some less competitive European regions would advance more rapidly than productivity, with no available remedies for the resulting underinvestment and unemployment except some kinds

of transfer payments from, and massive labor migration into, the more productive regions.

Thus, the politically irrevocable step of monetary union cannot reasonably be taken without setting in motion momentous changes throughout European society. This, to my mind, is the main reason why the single currency must be put off into the next millennium.

ROBERT E. PHILLIPS, Heidelberg, Germany.

Craig R. Whitney ("German Frailty Cripples Unity," Aug. 2) writes that "ever since the unification of Germany in 1990, Germans most of all, have been telling themselves that Germany would lead the way" to a unified Europe.

In fact, after reunification, we Germans had a long way to go toward becoming one nation and had neither the time nor the resources to take such a lead. And Germans generally are worlds apart from any such simplistic missionary activity.

The Bundesbank is acting in accordance with European expectations, as can be read in the Maastricht treaty. It simply does not accede to short-term interests. But that is precisely why the bank was designed to be independent, and why the Maastricht treaty was agreed upon. Stable currency fosters stable trade and economic growth in the long run.

The advice of Helmut Schlesinger, the Bundesbank president, on realignment of currencies that are under pressure is the way out of trouble. Realignment is espe-

cially provided for that reason. What is wrong with it?

Mr. Whitney says that "many Germans have no idea what devaluation means." We Germans would welcome a devaluation for once, since it would bring trade advantages.

JENS STEINHAGEN, Offenbach, Germany.

Israel and Hezbollah

Israel's bombing of southern Lebanon has been intended to displace the population from supporting Hezbollah. This is not reasoning. Having lost their homes and livelihoods, the people of southern Lebanon now have nothing more to lose if they back Hezbollah. Armed resistance will increasingly be seen as the only way of removing the Israelis from the area. After all, Israel did not retreat from most of southern Lebanon in 1985 due to international pressure but because of unsustainable casualties among its armed forces.

The only group capable of inflicting such losses is Hezbollah. Israel and the West should not be surprised if this group's popularity rises and if attacks against Israeli soldiers in Lebanon increase.

PHILIP el KHOURY, London.

With its acts of aggression against a defenseless civilian population, Israel is very surely sowing the seeds of hatred for generations to come, further compromising its chances of earning a peaceful living and of integration in the troubled area.

RACHID SAFA, Paris.

Can you expect any responsible government not to finally respond, and with full force, to such continuously wanton attacks as those carried out by Hezbollah on Israel? HERBERT ROSENBERG, Tel Aviv.

A Cardholder's Lament

American Express may well be putting right the anomaly that excludes certain categories of cardholder from its frequent-flyer program, but there is another anomaly with rather serious implications.

American Express offers a "purchase protection" scheme that effectively provides 90-day insurance coverage for purchases made with their card. The frequent-flyer program is advertised only in the United States, but "purchase protection" is advertised in many other countries as well. With this in mind, I have been using my American Express card for almost all of my purchases while traveling since 1989.

But there is plenty to quarrel with in this book. Taubes recreates hundreds of lines of seemingly verbatim conversation (often involving Pons or Fleischmann) that may not be literally accurate. In addition, there is a downright criminal absence of illustrations.

Curt Supple is on the staff of The Washington Post.



BOOKS

BAD SCIENCE: The Short Life and Weird Times of Cold Fusion

By Gary Taubes. 503 pages. \$25. Random House.

Reviewed by Curt Supple

If you read only one book on cold fusion this year, let it be this one. And let it be the last. Thanks to veteran science writer Gary Taubes, we now have the most comprehensive account of that appalling debacle that anyone is ever likely to need.

It has been four years since an oddball pair of chemists from the University of Utah told a gaping horde of reporters that they had made the discovery of the decade: a cheap and easy way of achieving sustained nuclear fusion at room temperature in a sort of glorified Mason jar. The university press office called it a "breakthrough" that promised "a clean, virtually inexhaustible source of energy."

The news convulsed the world. The chemists, E. Stanley Pons and Martin Fleischmann, were transmuted into instant celebrities.

"Cold fusion" seized the front pages of newspapers and the covers of magazines. Congress yanked out its checkbook, and patent attorneys went into a feeding frenzy.

It was, on the face of it, a wonderfully simple idea: Fill a jar with some "heavy" water (in which the normal hydrogen atoms were replaced by an extra-massive isotope called deuterium) stick in two electrodes (one made of a rare metal called palladium), run a current between the two and then sit back and watch. As the electrical forces caused the deuterium to bury itself in the palladium, the hydrogen nu-

cle's got squeezed together so hard that they fused — giving off a huge amount of heat.

That wasn't quite the whole story, however — a fact that became humblingly apparent as dozens of labs around the world set out to replicate the phenomenon.

For example, Pons and Fleischmann had no convincing data to support their claims at the time of the press conference, which was hustled up because the University of Utah feared that nearby Brigham Young University was on the verge of a related announcement. They had not published their results in a peer-reviewed journal and remained uncommonly stingy with details of their work. They apparently had not run "control" experiments and they could not produce evidence of any

of the inevitable byproducts of nuclear fusion.

Moreover, the vast majority of other researchers — some working around the clock for weeks — failed utterly to reproduce the Utah findings. (Reproducibility of results is the absolute sine qua non of experimental science.) Within six months of the March 1989 announcement, cold fusion was a lugubrious joke.

How could a travesty of this magnitude have happened? That is the question this book answers in incomparably exhaustive detail. Pons and Fleischmann refused to be interviewed, but it makes little difference. They soon became almost minor players in the international megamelodrama.

To be sure, their work was profoundly dubious, if short of outright

fraud. But to blame Pons and Fleischmann for the whole mess, or to regard them as villains, is to miss the point. The real subject here is how modern science becomes distorted when it encounters such ranging forces as greed, envy, politics and secrecy. Taubes, author of "Nobel Dreams" and a frequent contributor to the journal Science, is splendidly suited to that task.

But there is plenty to quarrel with in this book. Taubes recreates hundreds of lines of seemingly verbatim conversation (often involving Pons or Fleischmann) that may not be literally accurate. In addition, there is a downright criminal absence of illustrations.

Curt Supple is on the staff of The Washington Post.

BEST SELLERS

Table with 2 columns: Rank and Title. 1. THE BRIDGES OF MADISON COUNTY, by Robert James Waller. 2. THE CLIENT, by John Grisham. 3. THE NIGHT MANAGER, by John Le Carré. 4. LIKE WATER FOR CHOCOLATE, by Laura Esquivel. 5. THE LAST DAYS OF GUY RITCHIE, by Scott Turow. 6. PIGS IN HEAVEN, by Barbara D. Carter. 7. CRUEL & UNUSUAL, by Patricia D. Cornwell. 8. AFTER ALL THESE YEARS, by Susan Isaacs. 9. HONOR AMONG THIEVES, by Jeffrey Archer. 10. THE SCORPIO ILLUSION, by Robert Ludlum.

Table with 2 columns: Rank and Title. 11. HILLTOWNS, by Anne Rivers Siddons. 12. SAVING GRACE, by Julie Garwood. 13. I'LL BE SEEING YOU, by Mary Higgins Clark. 14. GARDEN, by James Clavell. 15. A CASE OF NEED, by Michael Chabon. NONFICTION: 1. WOMEN WHO RUN WITH THE WOLVES, by Chelsea Finkels. 2. THE WAY THINGS OUGHT TO BE, by Rush Limbaugh Jr. 3. THE FIFTIES, by David Halberstam. 4. DAYS OF GRACE, by Arthur Ashe and Arnold Rampersad. 5. REENGINEERING THE CORPORATION, by Michael Hammer and James Champy. 6. EMBRACED BY THE LIGHT, by Betty J. Eadie with Curtis Taylor. 7. A WORLD BEYOND WAITING TO BE BORN, by M. Scott Peck.

Table with 2 columns: Rank and Title. 8. CARE OF THE SOUL, by Thomas Moore. 9. LISTENING TO PROZAC, by Peter D. Kramer. 10. MAMA MAKES UP HER MIND, by Bailey White. 11. SECRET CEREMONIES, by Deborah Lasker. 12. HEALING AND THE MIND, by Bill Moyers. 13. RACE MATTERS, by Cornel West. 14. THE REAL ANITA HILL, by David Brock. 15. GIRL, INTERRUPTED, by Susanna Kaysen. ADVICE HOW-TO AND MISCELLANEOUS: 1. AGELESS BODY, TIME-LESS MIND, by Dean Ornish. 2. EAT MORE, WEIGH LESS, by Dean Ornish. 3. MEN ARE FROM MARS, WOMEN ARE FROM VENUS, by John Gray. 4. A WOMAN'S WORTH, by Marianne Williamson.

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Revived Again



Christopher Biggins as Merlin and Anna Nicholas as Morgan le Fay in revival of "A Connecticut Yankee."

'Connecticut Yankee': Better Left Alone

By Sheridan Morley
International Herald Tribune

LONDON — At the Open Air Theatre in Regent's Park, an admirable policy of bringing back one long-dead Broadway musical every summer has recently given us the joys of "Lady Be Good" and "The

My Love Alive," written for a 1943 revival as the last-ever Rodgers & Hart number, since by then Rodgers was already with Hammerstein. But the problem is that these three show-stoppers are all in the first half of the first half, and once they are heard there is no longer any show to stop. The book is not so much fragile as fragmentary, and despite one or two great lines ("How long can you stay fresh in that can?") is such a good question to put to a man in a suit of armor) there is a terrible inadequacy here which only Broadway audiences of the late 1920s were forgiving enough to overlook.

Wiser, surely, to have adopted the old Hollywood solution and batched in a whole raft of other numbers ("Busy Doing Nothing" was I recall a highlight of the movie and is nowhere here) than to stick with these very minor ones, most of which defeat a talented cast led by Janie Dee (from the recent "Carousel"), Clive Carter and the splendid Christopher Biggins as a Merlin bizzarrily made up to look like Old Mother Riley as Santa Claus.

At the start of Richard Crane's

"Under the Stars" (Greenwich), you wonder why nobody before him has had the intriguing idea of backstaging play entirely about understudies. By the end of the evening you know why. The problem with understudies is that they are only really defined by their absence. They are, as one of them here notes, the spare bulbs in a theater's lighting system, only of any real use in an emergency.

All the same, Ronald Harwood once managed to build a masterly drama around an equally shadowy backstage figure, "The Dresser," and Crane's drama starts promisingly enough with two highly contrasting standbys, the ambitious young Stella (Connie Booth), desperate for a crack at stardom even if it comes about through the death of her principal, and the old-timer Regina (Pam Ferris) who can think of nothing worse than actually having to go on stage, and has managed not to do so for a quarter of a century.

The play they are understudying is, somewhat implausibly, a long West End run of a Greek verse drama starring two women, one of whom duly falls ill, whereupon the management brings another star to replace her, thereby neatly circumventing the understudies altogether. All we are really left with is their own irritable dressing-room relationship, and this Crane seems oddly unwilling to develop in any real detail.

The result is a green-room conversation piece, mildly diverting to anyone who has ever spent time

backstage but in the end lacking any real development or drama despite strong performances in the central roles, and also from Nicholas Gecks as their black-leathered director and Penny Morrell as the replacement star. Acutely observed but fatally plotless, "Under the Stars" is wonderfully served by its designer Lez Brotherston, who has created a whole Shaftesbury Avenue world both front of house and backstage.

At the Bush, Jonathan Harvey's "Beautiful Thing" is a sketchy but vivacious rite-of-passage play about two teenagers growing up on a noisy South London housing estate to the terrible realization that they are in fact gay and in love with each other. This does not initially go down too well with one of their mothers, nor with a young drug-addicted girl next door, but up on the roof of their tower block all is eventually resolved in a touching, lyrical "live and let live" fable that wonderfully catches the language and the swiftly changing moods of its people.

Hettie Macdonald's production perfectly captures the teenage tensions of a long hot summer and its recalcitrant suburban residents: "You wouldn't know sense if it came up to you and said 'I'm sense,'" Harvey is that comparative rarity, a young dramatist willing to write of London in the '90s from a social and sexual rather than political or proselytizing viewpoint, and he is to be watched, as are this smashing cast.

The Odd 'House' of Jane Bowles

By Frank Rich
New York Times Service

NEW YORK — "I'm Jewish, homosexual, alcoholic, a communist — and I'm a cripple!" Jane Bowles once bragged, winning a bout of one-upmanship with a self-pitying fellow traveler on the literary fringe. Bowles, whose writing career was over by the time she had a stroke at the age of 40 and who died in 1973 at 56, was everything she said and more, including the wife of the novelist and composer Paul Bowles ("The Sheltering Sky"), with whom she fashioned a now-legendary open marriage in the sybaritic expatriate colony of Tangier.

An original and independent woman, yet one who never escaped her demons or her husband's orbit, Jane Bowles was born to be a heroine for our time, if only a cult figure in her own. She'd be fascinating with or without her limp, as those who have read her letters, her biography (by Millicent Dillon) or Michelle Green's recent group portrait of the Tangier crowd ("The Dream at the End of the World," published by HarperCollins) can attest. Her own literary output, however, was tiny: one novel, seven short stories and one full-length play, "In the Summer House," which was revived at the Vivian Beaumont Theatre.

This odd-duck drama about mothers and daughters received respectful reviews but scant audiences during its two-month run in the 1953-54 Broadway season. This production, directed by JoAnne Akalaitis, is faithful to the work's letter and spirit, but it is seriously compromised by some poor acting and by the vast expense of the Beaumont stage, which the designer, George Typpin, accentuates to serve the play's poetic subtext but not the performers who must deliver the text itself.

"In the Summer House" finds its life in the free spin of characters and language, not epic vistas or plot. Its 1950s Bohemian manner, in which the transitions and emotional key changes are as abrupt as those in a jazz improvisation, is typified by the opening

monologue, spoken from a balcony by Dianne Wiest in a Judy Holiday voice and a flaming red wig.

Wiest plays Gertrude Eastman Cuevas, a Southern California widow whose mind veers illogically from her acerbic memories of her dead husband to her deepest feelings of loss and isolation, with time out to brood over her teenage daughter (Alina Arenal) and to plot her cynical next marriage to a moneyed Mexican (Jaime Tirelli). Forty years after its debut, the speech is still so tricky that Akalaitis feels compelled to negotiate it for the audience by underlining its gravest passages with

Her only play finds its life in the free spin of characters and language, not epic vistas or plot.

such "Bell Jar" effects as portentous lighting cues and weeping Philip Glass music.

Mrs. Eastman Cuevas is a suffocating mother from hell, but so full of unexpected edges she defies cliché. She is soon matched in eccentricity by another widow, the visiting Mrs. Constable (Frances Conroy), in the evening's outstanding performance, and another problem daughter (Kali Rocha), who adds their own tragic complications to the Eastman Cuevas ménage. The one significant male intruder, a suitor (Liev Schreiber) for Eastman Cuevas's daughter, pushes the filial struggles for dominance into overdrive.

Yet Bowles's unimpaired voice, distinguished by surreal humor and nonsequiturs ("Whenever I think of a woman going wild, I always picture her with black hair"), is her own. A character in mid-breakdown forgets her sorrows the moment she retrieves a lost pocketbook. A drunken reverie includes a bizarre digression about the difficulty of registering to vote. Incongruous food imagery is ubiquitous: sugar, rice, spaghetti and meatballs, hot dogs, chop suey and oyster cock-

tails all play strange, sometimes dreamy, sometimes farcical roles in the action. One character fantasizes about opening an "odd" Restaurant Midnight; the entire second act takes place in a joint called the Lobster Bowl.

Akalaitis is at her most imaginative juggling such absurdities. Toyin's set, a Dali landscape bathed in George O'Keefe light, allows the director to by Jennifer Tipton, allows the director to make dizzy spectacle out of the casting, singing and dancing of the Mexican entourage surrounding Eastman Cuevas's new husband. A beach scene opens with a striking tableau of catatonic sunbathers in shades; Act I ends with the spooky, silent business of a just-wed couple sitting at a table reading magazines. A sad image of drowning, seen through a gauzy haze, could be a classical icon.

For Wiest, an actress of brilliant technique, the challenges are in the text. Although she does wonderfully by Mrs. Eastman Cuevas's wit, she is not in the habit of playing unlovable characters and rarely conveys the requisite quality; in her final scene of nervous collapse, she reconciles the role's complex strands by blurring and sentimentalizing them in bouts of sobbing histrionics that do not devastate the audience as intended.

In the 1953 production, Judith Anderson's Mrs. Eastman Cuevas was widely thought to have been overshadowed by Mildred Dumook's Mrs. Constable, and history repeats itself here. Conroy's prim, patrician mother, forever trying to avoid "the black pit" by concentrating on "petty details," starts off a bit squeaky. But her intended drunk scene in the second act, in which the actress' ghostly pallor and aura of crumbling gentility belie her guttural alcoholic wisecracks, is a memorable ride through psychic happen turns.

Alternately hilarious and desperate, in focus and utterly lost, Conroy embraces Mrs. Constable's mad contradictions without rejecting them in to form a conventional stage neurotic.

Is this character what Jane Bowles was like? So it seems. For all that is problematic in Akalaitis' "In the Summer House," the rare bird that wrote it is still there to be heard, beating her bright and crippled wings.

More Wagner Magic at Bayreuth

By John Rockwell
New York Times Service

BAYREUTH, Germany — Aside from Heiner Müller's new production of "Tristan und Isolde," other Wagner operas are being offered at Bayreuth this summer, all tilted toward the early end of the canon of 10 works that constitutes this festival's eternally revolving repertory.

The four stagings date from 1985, when Wolfgang Wagner's "Tannhäuser" was new, to 1990, the year of Dieter Dorn's "Die Walküre." In between come Werner Herzog's "Lohengrin" from 1987 and Wagner's "Parsifal" from 1989.

Of these, Dorn's magic show, abetted by Jürgen Rose's sets and costumes, has become a Bayreuth classic.

Already, its coup de théâtre from the second act, an entire house revolving in a starry sky, has become an image indelibly linked with Bayreuth, akin to the legendary staging of Siegfried's awakening of Brünnhilde in Wieland Wagner's first "Ring" in the 1950s.

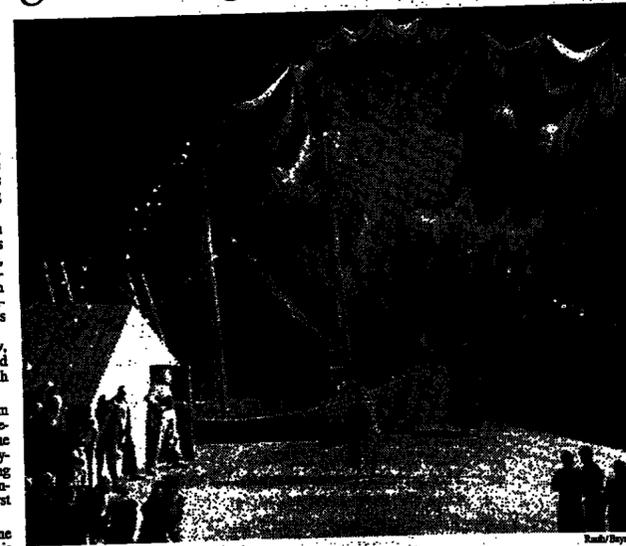
What Dorn and Rose have done with "Der Fliegende Holländer" is create a spectacle that can appeal equally to old-guard Wagnerians and progressives eager to turn operas on their heads.

Dorn is a progressive who manages quite literally to turn Act II of this opera on its head, yet his staging retains a palpable affection for the Romanticism of Wagner's time and for the composer's own ideas about how his opera should be performed.

This "Holländer" is full of wonderful touches, such as the spidery, sing-like cadavers, with their soggy Renaissance collars, who make up the Dutchman's crew and who slither into view at all sorts of unexpected moments (most horrifyingly, during Erik's dream aria, when they take over the house like a roach infestation).

But most striking moment comes when the house in which Mary and the woman have done their spinning and where Senta has sung her ballad gradually levitates as Senta and the Dutchman (who have judiciously stepped to the lip of the stage) begin their duet.

As they affirm their love, the house turns itself completely upside down in a clockwise rotation



A scene from Wagner's "Der Fliegende Holländer," as staged by Dieter Dorn.

before righting itself and settling back to earth. Just before the house begins to rise, the Dutchman casually places his black hat on a chair. It sticks there, serenely, throughout the entire, 360-degree rotation.

None of the other productions comes close to this. Wagner is conservative as a stage director, earnestly following his grandfather's written intentions though sometimes introducing nice touches of his own (as in the implied feminization of his "Parsifal" ending, in which Kundry doesn't die but participates fully in the Great ceremony). But his designs are almost always awkward and prosaic, which in today's visual age is a serious liability.

"Tannhäuser" had, in the title role, the tenor who will probably be Siegfried in James Levine's new "Ring" here next year.

Wolfgang Schmidt, who already did a set of Siegfried's this spring at the Metropolitan Opera with Levine, has one of those voices that can be pumped up to ear-piercing volume, and veteran Wagnerians were shaking their heads in despair. Fortunately, he can also sing sweet

and soft, so in any case he needs in a firm crack.

Donald C. Cummings won special praise for his idiomatically propulsive, well-balanced conducting.

LEVIN was back for his last summer of Bayreuth "Parsifal," at least for a while, since he'll give up that opera to do the "Ring." He brought with him Plácido Domingo, who made his Bayreuth debut last summer with two Parsifals and is singing all five this summer. These are known quantities for New Yorkers, although "Parsifal" always sounds best in the theater for which it was conceived.

New was Deborah Polaski's Kundry, a little overbearing for Domingo's sleeker tenor but at least a real dramatic soprano.

The casting story of the summer so far, however, has been Hans Sotin.

For Hermann in "Tannhäuser," apologies were made for his "limited movements" because of an arm injury. Despite a cast, he then proceeded to sing the major bass parts

the next three nights, as well: Daland in "Der Fliegende Holländer," Heinrich in "Lohengrin" (replacing an indisposed Manfred Schanz) and to cap this tour de force, Gurnemanz in "Parsifal," probably the longest bass role in opera.

Although he did have one memory lapse in the Good Friday Spell in the last act of "Parsifal," more than six hours after the opera had begun, Sotin's big, burly bass held up unflinchingly, and he deserved his foot-stomping ovation.

If not all the talk at Bayreuth was of Rudolstadt, a good deal of the talk in Rudolstadt, 60 miles north, was of Bayreuth. Rudolstadt, formerly part of East Germany, is now a sister city of Bayreuth and its artistic ties may be growing closer.

The Thüringen Landestheater, a pocket-sized opera house overseen by Peter P. Bach as director, and Konrad Bach as music director, is attempting to turn itself into the world center for the operas of Siegfried Wagner, Richard's son. In this it is being supported by the International Siegfried Wagner Society, based in Bayreuth and led by Bach.

Young Asian Musicians to Tour Europe

By Michael Richardson
International Herald Tribune

SINGAPORE — After four widely acclaimed annual appearances in East Asia since 1990, the Asian Youth Orchestra will make its debut later this month in Europe.

Gidon Kremer, one of the great contemporary violinists, will be the featured soloist for the European tour. The orchestra will be directed by Erik Klis, the Estonian-born conductor who is currently music director of the Aarhus Symphony Orchestra in Denmark.

Comparable to the European Community Youth Orchestra, the Asian Youth Orchestra draws together each year about 100 of the finest Asian musicians aged 13 to 25 for several weeks of rehearsals followed by a series of public performances.

For this season, members of the orchestra come from China, Japan, Hong Kong, South Korea, Taiwan, Thailand, Malaysia, Singa-

pore and Vietnam. Each is chosen after a rigorous audition.

Richard Pontzius, the orchestra's founder and executive director, said the main objective of staging regular performances by these young musicians is to nurture talent that too often leaves the region for Europe or America in order to gain professional recognition. And many of these musicians do not return to the region, except on tour.

The orchestra also hopes to show Asian audiences what can be achieved by Asians working in the tradition of Western classical music, thus expanding the scope for local musicians to flourish in Asia.

Too often, among both audiences and aspiring musicians in Asia, "there is a tendency to think that in musical life, the West is best," said Pontzius, who is conductor-in-residence of the Shanghai Philharmonic and Shanghai Conservatory of Music orchestras. Yehudi Menuhin, who conducted the Asian Youth Orchestra on its first Asian tour in 1990, has observed that by uniting players and their audiences with a love of music, the

orchestra has "created a civilized chorus from Asia that will be heard around the world."

The orchestra will perform in Austria, the Netherlands and Germany after a tour of Singapore, Thailand, Japan and Hong Kong.

The European schedule: Aug. 12, Vienna, Konzerthaus; part of the city's "Musikalisches Sommer" series; Aug. 15, Amsterdam, Concertgebouw, part of its summer series; Aug. 16, Rotterdam, De Doelen; part of Da Doelen's youth festival; Aug. 18, Kiel, Kieler Schloss Concert Hall; part of the Schleswig-Holstein Festival; Aug. 20, Leipzig, Gewandhaus Concert Hall; Aug. 22, Dresden, Kulturpalast; Aug. 23, Berlin, Schanzenhaus.

All concerts start at 8 P.M. Programs will be from the following repertoire: Dmitri Shostakovich, "Festival Overture Opus 96"; Carl Maria von Weber, Overture; Philip Glass, Concerto for Violin & Orchestra (1987); Alfred Schnittke, Concerto Grosso V for Violin, Amplified Piano and Orchestra (1990/91); Jean Sibelius, Symphony No. 2 in D Op. 43.

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<p>PARIS 7th</p> <p>LA PETITE CHAISE Delicious cuisine in the oldest restaurant in France. Menu 170 FF daily 38, rue de Grenelle Tel: (1) 42 22 12 35. Open in August.</p>	

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Paris and Bonn Say Their Ties Were Not Hurt by EMS Turmoil

By Alan Riding
New York Times Service

PARIS — Senior French and German economic officials on Tuesday brushed aside suggestions that last weekend's currency crisis had caused a rift in relations between Paris and Bonn and pledged to work together to restore monetary stability inside the European Community.

Helping to set the mood for what Finance Minister Edmond Alphandery of France described as "a very warm" meeting, the German Bundesbank cut a key interest rate early Tuesday, allowing the French franc to recover some of the ground that it had lost against the mark in trading Monday.

German officials in turn expressed satisfaction that France had not rushed to reduce its own interest rates and was committed to maintaining the strength of the franc. They noted that the mark's value had increased by only 0.7 percent since a basket of major world currencies since the weekend.

The main purpose of the meeting, however, was to put on a show of unity after persistent reports that relations between France and Germany, the principal motors of moves toward European unity, had been badly strained by the savaging of the franc by speculators last week.

The crisis was provoked by the Bundesbank's decision not to lower its main interest rate last Thursday. And while the German central bank then intervened heavily to support the franc, Community finance ministers were forced to

widen the fluctuation margin of the franc and six other currencies at the weekend.

"I want to lay to rest all these rumors about the so-called deterioration in French-German relations," Mr. Alphandery said after the meeting concluded on Tuesday. "I can testify that during this period of tension on the markets, the French-German couple once again proved its solidity."

Theo Waigel, Germany's finance minister, also spoke as if nothing had ruffled bilateral relations, noting that France and Germany had co-operated "lawlessly" to produce the "good solution" that had resulted in the loosening of the system of linked exchange rates.

Both men further stressed that the objectives of the Treaty on European Union, which was signed in Maastricht and aims to create a single currency by 1999, remained unchanged and that a European Monetary Institute, seen as the precursor of a regional central bank, would be created on schedule on Jan. 1 next year.

Certainly, just two days after the franc and other besieged currencies were freed to float by as much as 15 percent above or below their nominal rates, fears of monetary chaos—and a total collapse of the Community's exchange-rate mechanism—appeared to ease Tuesday.

On average, these currencies have lost only 1.5 percent of their value against the mark since the Bundesbank president, Helmut Schlesinger, who also attended the Tuesday meeting, to note that the 15 percent margin had

not been necessary thanks to the "great prudence" of interest-rate policies.

"Everyone wants to do as little as possible to prevent an early return to the narrower bands," he said, noting that the Bundesbank had earlier cut its repurchase rate on short-term loans from 6.95 percent to 6.80 percent, a move immediately welcomed by French officials.

After Prime Minister Edouard Balladur of France had noted Monday that he would not immediately reduce French interest rates, Mr. Alphandery also stressed that France continued to give priority to combating inflation.

While French and German officials were pledging eternal cooperation in the modern headquarters of the Economy Ministry in the Paris district of Bercy, however, a noisy debate about the implications of last weekend's currency shake-up continued to rage in French political circles.

Opponents of the Maastricht treaty, among them the extreme rightist leader, Jean-Marie Le Pen, said the crisis had demonstrated that plans to create a single currency for Europe were dead. Even Foreign Minister Alain Juppé conceded that Europe had taken a step backward.

Michel Sapin, who was finance minister in the socialist government swept out of office late March, wrote in *Le Monde* that the decision to widen the fluctuation margins of the exchange-rate mechanism was "quite simply bad for France and bad for Europe."

Motown Records, A U.S. Pop Icon, Sold to PolyGram

Compiled by Our Staff From Dispatches

AMSTERDAM — Motown, the record label that launched a black-American musical style so distinctive that it took the label's name, announced Tuesday that it would be purchased by PolyGram NV of the Netherlands for \$301 million.

The deal should make PolyGram, which is majority-owned by Philips Electronics NV, the largest recording company in the world, pulling ahead of Time Warner Inc. and Thorn EMI, analysts said. The sale will cover Motown's current roster of more than 30 artists, including Diana Ross and Stevie Wonder.

It also includes Motown's huge catalogue of releases dating back to the 1960s—including such pop music classics as Marvin Gaye's "I Heard It Through the Grapevine" and Smokey Robinson's "Tears of a Clown"—its new Motown label, television, film and video production interests as well as its merchandising activities and rights to the famous Motown trademark.

Since 1959, when it was formed, the Motown label spawned a genre of black pop music that captured a worldwide audience. "Motown" is short for Motor Town, a nickname for Detroit, where the company was founded and where many of its recording stars started their careers.

The label's recording artists have included The Supremes, the Jackson Five, Lionel Richie, The Four Tops, Marvin Gaye and Smokey Robinson. "Motown has always been synonymous with the best in black creative talent," said Alain Levy, PolyGram's president and chief executive officer.

"With PolyGram's additional investment in Motown, particularly in the artist and repertoire area of the business, I believe we can help this important label to expand its influence and success, not just in

music but in other entertainment fields," he said.

Motown, which had 1992 sales of \$134 million, is currently owned by the U.S. private investment partnership Boston Ventures. PolyGram, which will make an offering of 10 million new shares this fall to fund the purchase, declined to comment on its profitability.

Analysts said the purchase was the latest example of a worldwide trend among electronics companies to purchase companies that produce the software that runs on the companies' video and compact-disk players—software such as movies and musical recordings.

PolyGram, for instance, has been aggressively expanding its recorded-music and film-industry lines in recent years. It purchased Island Records in July 1989 and A&M records in January 1990.

The popular appeal of Motown titles may help Philips' new digital compact cassette in its fight against Sony Corp. of Japan's rival minidisk—a recordable compact disk.

DCC is a new tape product Philips is targeting at the mass market, giving digital-quality sound on players that are also compatible with old-style analog cassettes.

Besides its classic '60s hits, Motown is developing new talent mainly in soul with artists like Boyz II Men, Another Bad Creation and Shonique. But Boyz II Men's "End of the Road" title has been the label's only European hit so far.

Under agreements signed in 1991 and 1992, PolyGram has been Motown's exclusive distributor in the United States, with exclusive rights to manufacture, distribute and market all of Motown's master recordings worldwide.

PolyGram also reported Tuesday that its first-half net profit had risen to 204 million guilders (\$105 million), from 171 million.

(Reuters, AP, Bloomberg)

Europe's Markets Extend Rally

Compiled by Our Staff From Dispatches

European stock and bond prices continued to climb Tuesday, anticipating lower interest rates as a result of the loosening of the EC exchange-rate mechanism.

The Bundesbank, whose refusal to cut its discount rate last week touched off the currency crisis that resulted in the loosening, surprised market participants when it announced a rate of 6.80 percent for its next allocation of fresh funds to its repurchase program.

Its action led several traders and analysts to look for a cut this month in the German central bank's discount rate, its rate on loans to commercial banks.

Stocks rose for the ninth day in a row in Britain and the sixth consecutive session in Milan. Prices were higher in Frankfurt, Zurich, Amsterdam and most other Continental markets.

French stocks fell slightly as some investors decided to take profits from the market's 7 percent rise over the previous three sessions.

Brussels shares eased from their record high reached Monday, and Madrid stocks softened on profit-taking and fears that some companies might have to freeze dividends under a government plan calling for them to hold payouts below the inflation rate.

Prices of German, French and British government bonds rallied strongly. Because they are fixed-rate investments, such bonds thrive when interest rates are low or are declining.

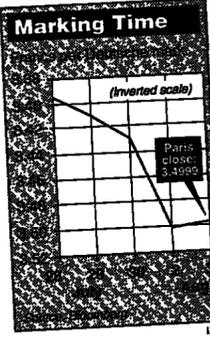
The source of the optimism was the agreement reached early Monday morning by EC officials to allow most currencies in the European Monetary System to fluctuate in value by 15 percent either side of their central rates, compared with the previous permitted range of as little as 2.25 percent.

This greater flexibility is expected to give governments room to reduce interest rates and try to stimulate their economies out of recession. Britain, which pulled out of the exchange-rate mechanism after a similar crisis 11 months ago, has since cut rates and started to show signs of recovery.

In London on Tuesday, the Financial Times-Stock Exchange 100-share index was 3.3 points higher at 2,945.0 in heavy trading, with market volume totaling nearly 800 million shares. Lower interest rates in Europe are expected to help British companies as well, by spurring demand in the economies of Britain's trading partners.

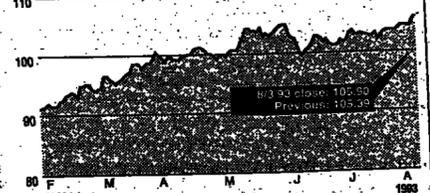
In Frankfurt, the DAX share index gained 28.35 points to 1,843.43.

The Bundesbank's move particularly boosted banks' and insurers' stocks, whose earnings would be lower interest rates would be. Utilities also gained, as did retailers with a strong domestic presence;



THE TRIB INDEX 105.90

International Herald Tribune World Stock Index, composed of 230 internationally investable stocks from 20 countries, compiled by Bloomberg Business News, Jan. 1, 1992 = 100.



The index tracks U.S. dollar values of stocks in: Tokyo, New York, London, and Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Italy, Netherlands, New Zealand, Norway, Singapore, Spain, Sweden and Switzerland. In the case of Tokyo, New York and London, the index is composed of the 20 top issues in terms of market capitalization. In the remaining 17 countries, the ten top stocks are tracked.

Region	Approx. weighting	Close	Prev.	% change
Asia/Pacific	25%	127.94	126.37	+1.24
Europe	40%	100.21	99.44	+0.77
N. America	35%	92.82	92.89	-0.07

Industrial Sectors	Close	Prev.	% change
Energy	104.14	104.65	-0.48
Utilities	112.42	112.51	-0.10
Finance	118.41	117.89	+0.54
Services	118.37	118.45	-0.07
Capital Goods	101.89	102.01	-0.12
Raw Materials	108.00	102.78	+5.27
Consumer Goods	85.68	85.44	+0.26
Miscellaneous	102.75	102.33	+0.41

MEDIA MARKETS

In Real Life, Los Angeles Badly Needs the Movies

LOS ANGELES — Known more for glitz and glamour than for the jobs and commerce that it creates, the rapidly expanding film and television industry is emerging as a bright spot in an otherwise gloomy California economy. With \$8 billion in revenue last year, the film and television industry has become the leading producer of jobs in Los Angeles, eclipsing aerospace, real estate and tourism, which are all in decline.

More filming takes place in the Los Angeles area in a day than in most other American cities in a year. On a typical day, at least 40 production companies are filming movies, television shows, documentaries and commercials on the streets of Los Angeles, and the number is expected to increase.

Of the 480 feature films that were shot in the United States last year, 319, or 66 percent, were filmed entirely or partly in California, the California Film Commission says. About 75 percent of all film production in California takes place in Los Angeles, despite vigorous efforts by other cities to lure film productions with their lower costs.

Local economists and development experts now look to the film industry, which includes all aspects of television and motion-picture production, to help the city's battered economy.

"The film business stands out as a stellar performer among California industries, where job declines are persistent almost across the board, with some at double digits," said Lyn Reaser, chief economist for Interstate Bank. "The motion-picture industry's image had always been bigger than reality, but to the extent that it is helping attract tourists and strengthening other markets, it is one of the few points of light in this bleak economy."

Most major studios in Los Angeles have announced plans to expand production in the coming year to meet growing demand from markets such as television, videocassettes and interactive media, as well as for international markets, which seem to have an insatiable appetite for American entertainment.

But smaller, less expensive cities are pressing for a bigger share of the business as well, and this competition threatens Los Angeles of some of its most stellar economic performers.

In May, the latest month for which statistics are available, employment in the Los Angeles film industry was up by 12,000, to a total of 103,000, from May 1992. It was the fifth month in a row to show an employment increase. In contrast, the overall Los Angeles

EBRD Official Calls For 'Flexible' Goals

By Erik Ipsen
International Herald Tribune

LONDON — A leading official of the European Bank for Reconstruction and Development said Tuesday that the bank's only hope of meeting its mandate—to devote most of its resources to the private sector of Eastern Europe—is to devote more to the private sector of Eastern Europe.

Amne Wibbe, chairman of the EBRD's board of governors, called for "flexible interpretation" of the rule that the bank must split its resources 60-40 between the private and public sectors.

"The center was especially pressing in the countries of the former Soviet Union, she insisted in her first interview about the bank since the resignation of Jacques Attali as its president. In the former Soviet republics, she said, the bank could do its job by making loans to government agencies whose role is to lay the groundwork for private companies.

"In some countries where you have an economy that is 100 percent public, it is very difficult to see how you in a very short time can reach that target," Mrs. Wibbe, who is also the finance minister of Sweden, said in a telephone interview from her office in Stockholm.

In general, Mrs. Wibbe had only praise for the EBRD's performance so far. She pointed out that the bank's lending levels had risen in

recent months, and she rejected criticism of the bank for slow lending as incorrect.

"The bank has only been functioning for two years, and you have to consider that the conditions for lending to the former Communist states are very difficult indeed," she said.

The issue of whether to finess the definition of "private sector" or to postpone the implementation of the 60-40 rule in some countries will be largely in the hands of the bank's new president.

The process of nominating potential successors to Mr. Attali, who left in July amid criticism of his management style and lavish spending, is now complete. A post-bidder of the bank's governors will choose between the French central bank governor, Jacques de Larosiere; a former Italian prime minister, Giuliano Amato, and a former Polish finance minister, Leszek Balcerowicz. The voting is to be completed by Aug. 17.

It had been assumed that the candidate backed by the European Community would be an easy victor. In spite of the nominating period being extended, however, the EC remained at an embarrassing impasse on the subject.

"I had hoped that they would have been able to agree on one person," said Mrs. Wibbe, who de-

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CURRENCY & INTEREST RATES

Cross Rates		Eurocurrency Deposits		Key Money Rates	
Amsterdam	1.78	1 month	3 1/4 - 3 3/4	Call money	4.00
Berlin	3.38	3 months	3 3/4 - 4 1/4	1-month interbank	4.00
Frankfurt	1.92	6 months	3 3/4 - 4 1/4	1-month interbank	4.00
London (d)	1.65	1 year	3 3/4 - 4 1/4	3-month interbank	4.00
Madrid	16.70			6-month interbank	4.00
Paris	16.82			1-year interbank	4.00
Stockholm	13.90			1-year Gilt	4.00
Tokyo	161.5			1-year Treasury bill	4.00
Zurich	1.94			3-month Treasury bill	4.00

A System That Failed To Survive

Bankers Ease Terms For Russia

MOSCOW—The London Club of private creditors has accepted Russia's plea to repay only a fraction of some due this year on \$24 billion of former Soviet foreign debt, a top official said Tuesday.

The Russian deputy finance minister, Andrei Vavilov, said the London Club, a consortium of about 600 commercial banks, agreed to accept payment of \$300 million rather than the \$3.5 billion that was owed. The club initially asked for \$1.5 billion.

Based on figures released Tuesday, Russia this year will have to make only about 8 percent of payments due for 1992 and 1993 to the London Club and to the Paris Club of creditor governments. Russia reached agreement with the Paris Club last spring.

The total former Soviet debt to both creditor clubs and to many nations is estimated at \$80 billion.

"They carefully studied the state of our economy and our capacity to pay and they met us half way on practically all issues," Mr. Vavilov said. The official also disclosed that Russia's debt to the London Club now will stand at \$24 billion, an estimate that is 50 percent higher than given in the past. The new figure includes debt owed on securities, Mr. Vavilov said.

As Russia tries to get its own economy in order, it must also take responsibility for foreign debts of former Soviet republics. Russia assumed foreign debts in exchange for the republics' shares of Soviet assets, such as gold reserves and property abroad.

Mr. Vavilov said Russia had paid \$1.9 billion of the \$7 billion it owes directly to the Paris Club.

Africa Feels EMS Tremor

Currency Barrier Seen Chilling Trade

LAGOS—The decision of francophone African nations to ban cash dealings outside their borders in the main currency used in trade among West African countries is viewed as a blow to regional economic integration.

The decision to ban cash dealings in the CFA franc was taken Monday when currency turmoil in Europe and pressure on the French franc led to a sharp fall in the value of the CFA franc. The CFA franc's value has been pegged to that of the French franc since 1948.

"It is a setback for us," said an economic analyst at the Lagos-based Economic Community of West African States, noting that the new restriction was likely to undermine confidence in the CFA.

The CFA franc, which has been used in trade among francophone West African countries as well as with such former British colonies as Nigeria and Ghana, has long been pegged at 50 to the French franc but has frequently been said to be overvalued at that level.

The decision to ban cash dealings, which effectively forbids the currency's physical export, will force businessmen in theory to use formal banking channels. But much of the hard cash trade conducted in CFA francs in any case involves smuggling, a way of life in the region.

Finance Minister Daniel Kablan Duncan of Ivory Coast, the dominant economy in the West African CFA group, has said that CFA convertibility is not in jeopardy and that nonphysical transfers would not be affected.

But fears remained that the new restriction would shake confidence in the currency.

"There were fears that the CFA might be devalued," said the community official. "Now they have come out with measures that have reinforced those fears." He said traders in non-CFA countries would now shift to other convertible currencies, most likely the dollar.

"The countries that will suffer most are the small CFA nations like Benin and Togo that are surrounded by big non-CFA countries," said the official.

The community, made up of 16 nations, was formed in 1975 to promote regional trade and self-reliance, but has had little success.

The council official said the move to restrict the use of the CFA franc was a disappointment to those trying to strengthen regional economic ties. "To the extent that CFA is used to finance regional trade, it is going to distort that trade."

VW and GM Confer by Phone

By Doron P. Levin
New York Times Service

DETROIT—The corporate espionage melodrama involving General Motors Corp., Volkswagen AG and German prosecutors has moved to the executive suites with an overseas telephone conference between the automakers' chief executives, followed by a demand by GM that VW retract recent allegations.

David J. Herman, managing director of Adam Opel AG, GM's German subsidiary, said Monday that he was willing to continue discussions with VW about data and documents that GM contends were stolen by VW's production chief, José Ignacio López de Arriortua, a former GM executive.

But Ferdinand Piëch, VW's chairman, must first "officially retract in detail the false public accusations he had made only one day before contacting GM by telephone," Mr. Herman said. If Mr. Piëch had proof of his charges, Mr. Herman said, he could have supplied it to prosecutors.

Last week, Mr. Piëch accused GM of defaming VW through its complaints to prosecutors and implied that GM could have tampered with evidence. VW executives have denied that the company or Mr. López, VW's No. 2 executive, have taken GM secrets.

On Friday, Mr. Piëch telephoned John F. Smith Jr., GM's chief executive, seeking to discuss the conflict between the two automakers.

VW issued an announcement following Friday's call, saying that Mr. Piëch had called Mr. Smith. GM executives said they were puzzled: if Mr. Piëch was trying to smooth relations, what was the point of issuing a press release?

Slim Loan Demand Takes Shine Off Natwest Profit Rise

Compiled by Our Staff From Dispatches

LONDON—National Westminster Bank PLC offered a sparkling first-half earnings report Tuesday, nearly doubling its profit, but its statistics contained disquieting news for the British economy.

Natwest said it earned £421 million (£625.4 million) in the first six months of the year, up 99.5 percent from £211 million in the similar period a year before. The latest period would have been even higher, but the bank took a £159 million charge to close its retail operations in France and Australia, which it said were too small to offer prospects of sufficient returns.

The results were better than investors had been expecting, and Natwest's stock rose 14 pence, to close at 512 pence in London. But the improvement came from cost-cutting and reduced provisions for bad debt, while demand for new loans was ominously weak. The only domestic growth area was mortgage lending.

Provisions for bad and doubtful debts in the first half fell to £541 million from £838 million, while the costs-to-income ratio fell to 64.7 percent from 67.6 percent, partly a result of the shedding of 2,600 employees in the first six months of the year.

Net interest income rose to £1.85 billion from £1.77 billion, but the rise was accounted for by currency fluctuations, not increased lending.

Derek Wantless, the chief executive, said the "fragile" nature of the British economic recovery introduced "an element of uncertainty" into the outlook for provisions for bad loans in the second half.

Although bad debts in Natwest's branch network have declined, falling to £442 million in the first half from £609 million a year earlier, they remained "at unacceptable levels," he said.

He said most of the problem British debts were concentrated among small businesses, with the greatest signs of improvement in

Investor's Europe				
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1773	2000	2000		
1772	2000	2000		
1771	2000	2000		
1770</				

NYSE

Tables include the nationwide price up for the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press (Continued)

Table with columns: Ticker, Price, Change, High, Low, Volume. Includes various stock tickers like IBM, Microsoft, and others.

Table with columns: Ticker, Price, Change, High, Low, Volume. Includes various stock tickers like Apple, Oracle, and others.

FILMING: Los Angeles' Best Economic Performer Has Other Suitors

Continued from Page 9
The film industry's contribution to the Los Angeles economy goes far beyond its tens of thousands of production jobs. Hollywood has become an engine for other industries as well, from tourism to dry cleaners and caterers.

annual impact of about \$18.5 billion, the development agency said.
But despite Hollywood's growing importance to the Los Angeles economy, the industry's future is being threatened by high production costs and regulatory and bureaucratic requirements.

Industry analysts have warned that if producers continue to move projects to other cities, the economic loss to Los Angeles could be devastating. State and local officials need to do more to assist film companies in dealing with regulations and resolving disputes, the analysts say.

A recent study by Los Angeles County Economic Development Corp. concluded that every dollar spent by the industry was worth about \$2 to the local economy. By that measure, film production spending has a total

While Los Angeles offers a vast supply of talent, writers, technicians, suppliers, musicians, locations — and favorable weather — some producers have abandoned Los Angeles, as well as New York (where costs are even higher), for Dallas, Chicago, Miami and Vancouver, where there are lower costs and fewer restrictions.

In some respects, Los Angeles cannot provide the same red-carpet treatment that many other cities use to lure production companies. Some cities offer to pay for police supervision, provide helicopters to look for filming locations, offer hotel and restaurant discounts, and close highways and streets for filming.

Table with columns: Ticker, Price, Change, High, Low, Volume. Includes various stock tickers like IBM, Microsoft, and others.

Table with columns: Ticker, Price, Change, High, Low, Volume. Includes various stock tickers like Apple, Oracle, and others.

INTERNATIONAL FUNDS

Aug. 3, 1993
The simplified symbols indicate frequency of quotations supplied: (d) - daily; (w) - weekly; (bi) - bi-monthly; (q) - quarterly; (m) - monthly.

Large table listing various international funds with columns for fund name, price, change, and other details. Includes categories like Global, Emerging Markets, and Bond funds.

For information on how to list your fund, fax Simon OSBORN at (33-1) 46 37 21 33.

BANK: Official Calls for 'Flexible' Definition of EBRD's Lending Goals

Continued from Page 9

scribed this further sign of European political disunity as "a little disappointing." She said, however, that she had been "informally informed" by various member governments to expect a clear winner on the first ballot, probably Mr. de Larosiere.

The bank's new president is expected to take office in early September and will need to deal quickly with stalled plans for a major reorganization of the bank. Those plans, unveiled by Mr. Attali in June, proved so controversial that a number of bank insiders insist they hastened Mr. Attali's departure.

Fighting to maintain his grip on the bank and to respond to criticism over the slow pace of its lend-

ing, Mr. Attali, less than two weeks before he resigned, proposed a reorganization that its critics saw as a desperate attempt to curry favor with the bank's largest shareholders by boosting the bank's loan totals at any cost.

Worse, they said, the reorganization threatened to all but abandon the bank's focus on developing the private sector in Eastern Europe and the former Soviet Union in favor of the easier route of making more large loans to public bodies.

Mrs. Wibble said Tuesday that differences over the reorganization did play a part in determining whether Mr. Attali would resign. The board of governors is made up of the finance ministers of the bank's 54 owner governments plus

top officials from the European Community and European Investment Bank.

Mrs. Wibble described Mr. Attali as a "visionary" but insisted that his proposed reorganization of the bank would have destroyed much of what he had achieved in two years since setting up the institution. It had also opened acrimonious divisions both on the board and among staff members.

"Obviously most of the governors agreed with me that it is very important that the bank keep its merchant-banking and private-sector emphasis," she said. Mrs. Wibble also confirmed reports that Mr. Attali had successfully appealed directly to the governments of the Group of Seven lending industrial-

ized nations to win backing for his proposed reorganization. The seven nations — the United States, Japan, Germany, France, Britain, Italy and Canada — together hold a majority of the votes on the bank's board.

Under the reorganization plan, Ernest Stern, the second-ranking official at the World Bank in Washington, was to be brought in to effectively run the EBRD. Ronald Freeman, who heads the EBRD's arm investing in private companies, was to be demoted from the second-highest position at the bank to the fourth-highest. The bank also was to be regrouped along regional lines with a blending of private and public-sector activities that many saw as blurring its focus on companies rather than governments.

NASDAQ

Tuesday's Prices
NASDAQ prices as of 4 p.m. New York time. This list compiled by the AP, consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.

Symbol	High	Low	Open	Close	Change
IBM	112.50	111.50	112.00	112.00	0.00
MSFT	34.50	34.00	34.25	34.25	0.00
ORCL	28.50	28.00	28.25	28.25	0.00
GOOG	275.00	270.00	272.00	272.00	0.00
AMZN	48.00	47.00	47.50	47.50	0.00
EBAY	35.00	34.00	34.50	34.50	0.00
SHOP	28.00	27.00	27.50	27.50	0.00
WAL	25.00	24.00	24.50	24.50	0.00
ETSY	18.00	17.00	17.50	17.50	0.00
EA	15.00	14.00	14.50	14.50	0.00
WYNN	12.00	11.00	11.50	11.50	0.00
UNH	10.00	9.00	9.50	9.50	0.00
CVS	8.00	7.00	7.50	7.50	0.00
WMT	7.00	6.00	6.50	6.50	0.00
DIS	6.00	5.00	5.50	5.50	0.00
INTC	5.00	4.00	4.50	4.50	0.00
QCOM	4.00	3.00	3.50	3.50	0.00
TXN	3.00	2.00	2.50	2.50	0.00
ADSK	2.00	1.00	1.50	1.50	0.00
HPQ	1.00	0.50	0.75	0.75	0.00
CRM	0.50	0.25	0.375	0.375	0.00
PLTR	0.25	0.125	0.1875	0.1875	0.00
AMZN	0.125	0.0625	0.09375	0.09375	0.00

AMEX

Tuesday's Closing
Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

Symbol	High	Low	Open	Close	Change
IBM	112.50	111.50	112.00	112.00	0.00
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UNH	10.00	9.00	9.50	9.50	0.00
CVS	8.00	7.00	7.50	7.50	0.00
WMT	7.00	6.00	6.50	6.50	0.00
DIS	6.00	5.00	5.50	5.50	0.00
INTC	5.00	4.00	4.50	4.50	0.00
QCOM	4.00	3.00	3.50	3.50	0.00
TXN	3.00	2.00	2.50	2.50	0.00
ADSK	2.00	1.00	1.50	1.50	0.00
HPQ	1.00	0.50	0.75	0.75	0.00
CRM	0.50	0.25	0.375	0.375	0.00
PLTR	0.25	0.125	0.1875	0.1875	0.00
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QCOM	4.00	3.00	3.50	3.50	0.00
TXN	3.00	2.00	2.50	2.50	0.00
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SHOP	28.00	27.00	27.50	27.50	0.00
WAL	25.00	24.00	24.50	24.50	0.00
ETSY	18.00	17.00	17.50	17.50	0.00
EA	15.00	14.00	14.50	14.50	0.00
WYNN	12.00	11.00	11.50	11.50	0.00
UNH	10.00	9.00	9.50	9.50	0.00
CVS	8.00	7.00	7.50	7.50	0.00
WMT	7.00	6.00	6.50	6.50	0.00
DIS	6.00	5.00	5.50	5.50	0.00
INTC	5.00	4.00	4.50	4.50	0.00
QCOM	4.00	3.00	3.50	3.50	0.00
TXN	3.00	2.00	2.50	2.50	0.00
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ETSY	18.00	17.00	17.50	17.50	0.00
EA	15.00	14.00	14.50	14.50	0.00
WYNN	12.00	11.00	11.50	11.50	0.00
UNH	10.00	9.00	9.50	9.50	0.00
CVS	8.00	7.00	7.50	7.50	0.00
WMT	7.00	6.00	6.50	6.50	0.00
DIS	6.00	5.00	5.50	5.50	0.00
INTC	5.00	4.00	4.50	4.50	0.00
QCOM	4.00	3.00	3.50	3.50	0.00
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WMT	7.00	6.00	6.50	6.50	0.00
DIS	6.00	5.00	5.50	5.50	0.00
INTC	5.00	4.00	4.50	4.50	0.00
QCOM	4.00	3.00	3.50	3.50	0.00
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UNH	10.00	9.00	9.50	9.50	0.00
CVS	8.00	7.00	7.50	7.50	0.00
WMT	7.00				

Small Investor Is Big in Australia
Individuals Now Hold Largest Portion of the Market

By Nina Bick
New York Times Service
MELBOURNE — The toast of Australian brokers in recent months has been the small investor, now back as a force on the stock market after recovering from the 1987 collapse.

market. Radio talk shows on investment and books on how to invest in the stock market are both booming.
But although the household sector has given buoyancy to the market, Australia's main market indicator, the All Ordinaries Index, has not regained its pre-1987 levels.

Analysts say investment from the United States and Asia is coming in at the top end of the market, with most interest in blue-chip industrial and resource stocks.
With more capital-raising scheduled, including the government's plan to sell a 19 percent stake in Commonwealth Bank of Australia, John Goodall, head of equities with the brokerage concern J.B. Wre, says he expects investors to continue to put money into the market, particularly in quality stocks with high yields.

China Shuffles Leadership Slots At Central Bank

Compiled by Our Staff From Dispatches
BEIJING — China announced a leadership shake-up at its central bank on Tuesday, just a month after firing the institution's governor and replacing him with the Communist Party's top economic troubleshooter.
A spokeswoman for the People's Bank of China said two vice-governors had been moved and three new ones named, making six in all, up from five previously.

Investor's Asia
Table with columns for Hong Kong (Hang Seng), Singapore (Straits Times), and Tokyo (Nikkei 225). Includes a line graph showing index trends from 1988 to 1993.

Taiwan and U.S. Still Disagree on Rights

Compiled by Our Staff From Dispatches
TAIPEI — Taiwan expressed disappointment Tuesday that the United States had refused its right to retaliate if Taipei did not take further measures to protect intellectual-property rights.

Mr. Shen said Taiwan had made efforts to avert possible U.S. trade sanctions "but the U.S. government did not react positively."
Last month, Taiwan's parliament approved a bill legalizing and regulating its cable-television industry to comply with a U.S. demand.

The prosecutor, Chuang Chun-shan, said the defendants were mostly linked to Lei Po-lung, a major stock speculator who was charged last December with involvement in a series of stock payment defaults totaling 9.1 billion Taiwan dollars (\$350 million). Mr. Lei's trial has not yet ended and he is now on medical leave.

Brunei Shuffles \$9 Billion Of Projects In Vietnam

Brunei Shuffles \$9 Billion Of Projects In Vietnam
The agreement was signed in Brunei over the weekend with officials from the Vietnam State Committee for Cooperation and Investment, Primal said.
It gave no further details.

Very briefly:

- Japanese prosecutors indicted four Kirin Brewery Co. executives and nine other people. The executives allegedly paid the others 33.3 million yen (\$317,000) to intimidate shareholders and prevent unwanted questions from the floor at the company's annual meeting.
Hyundai Wood Industries Co. union leaders nullified a vote endorsing a tentative labor agreement and called for a new vote next week.

Hong Kong Stocks Soar 2.6%

Compiled by Our Staff From Dispatches
HONG KONG — Stock prices surged 2.6 percent on the Hong Kong exchange Tuesday to post the market's largest single-day gain in four months, as overseas funds poured into the market in search of a safe haven in the wake of European currency turmoil.
The Hang Seng index gained 182.80 points to close the day's trading at 7,211.83. Volume totaled 3.55 billion Hong Kong dollars (\$457.8 million), up from 2.23 billion on Monday.

COMPANY RESULTS

Table of company results for various regions including Canada, France, Norway, United States, and others. Columns include company names, revenue, and profit/loss.

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SALE: Mercedes 300 or 1966

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BENT FROM DENISE AUTO
AUTO SHIPPING

ACCESS VOYAGES
BOATS/YACHTS
DOMINICAN ATTORNEY
LOW COST FLIGHTS
AGENCE CHAMPS ELYSES
74 CHAMPS ELYSES
LE CLARIDGE
PARIS-BOULOGNE HOME FLAZA
50% REDUCTION
AVIATION

EUROPE
MIDDLE EAST
AFRICA
SOUTHERN AFRICA
NORTH AMERICA
FAR EAST

SPORTS SWIMMING

Guttler Breaks Record in Swimming

Compiled by Our Staff From Dispatches
SHEFFIELD, England — Karoly Guttler cracked the 100-meter breaststroke world record in an explosive start to the swimming competition at the European championships on Tuesday.

Guttler flattened the opposition in the fourth and final heat, in one minute, 00.95 seconds to beat the mark of 1:01.29 posted by Norbert Rezza, also of Hungary, at the last European championships in Athens in August 1991.

Rezza, who succeeded Guttler as the Olympic silver medalist in Barcelona last year, has moved to Australia and is not competing in Sheffield.

Guttler hit the turn in the 50-meter Ponds Forge pool in 28.52 seconds with the world record clearly under threat. He charged on down the second length to win the heat by more than 1.5 seconds from Andrei Korneyev of Russia.

Guttler silver medalist behind Adrian Moorhouse of Britain at the 1988 Seoul Olympics, has been among the world's best for years but has never won a European medal.

But the 25-year-old Hungarian scattered his rivals on Tuesday and took up the championships after five low-key days of diving, syn-



Karoly Guttler of Hungary on his way to becoming the first swimmer to break the 61-second barrier in the 100-meter breaststroke.

chronized swimming and water polo.

Nick Gillingham of Britain, the fastest in the world this year until Guttler rewrote the script, won the preceding heat in 1:02.36 and faced an awesome task in the final against a rival 1.41 seconds faster in the morning session.

Guttler failed to make the Olympic final in Barcelona and had to settle for first place in a consolation final.

Rezza, who won silver medals at both 100- and 200-meter breaststroke in Barcelona, consigned Guttler to the sidelines with his sensational breakthrough at the

1991 world championships in Perth where he beat the world record and won the 100-meter breaststroke title.

But Guttler burst back with a performance that Rezza and the rest of his contemporaries will find hard to match.

Fifteen-year-old Franziska van Almsick of Germany broke the European record and powered away with the women's 100-meter freestyle title. She clocked 54.57 seconds to beat the previous European record of 54.75 set by Kristin Otto in 1986.

(Readers, AP)

Boston Mourns for Lewis

By Michael Wilbon
Washington Post Service

BOSTON — They came in Celtics jerseys, blue suits and everything in between; from downtown offices, from Fenway's Basement with their shopping bags; parents pushing strollers and teachers with entire summer-school classes.

They came from Newton and Framingham, from Roxbury and the Back Bay, from Harvard and Massachusetts Institute of Technology logging their book bags.

Just past 9 o'clock, people began lining up on tiny St. Botolph Street in front of ancient Matthews Arena to file past the open casket of Reggie Lewis and pay final respects. Thousands stood in line beneath a sometimes-angry summer sun; black, white, yellow and brown formed a crowd picture more diverse than anything ever seen in Boston Garden.

People everywhere felt for Reggie Lewis, but Boston mourned and mourned back. In New England they like to let out their emotions at Fenway or the Garden, where emotions belong; otherwise, they are staid, conservative and stone-faced people who never let you see them rub the spot where it hurts.

There was no holding back Monday morning, just as there has been no holding back since last week when Lewis, 27 — in the prime of his life, his fatherhood, his basketball career, his philanthropy — dropped dead

when his heart failed him. Reggie Lewis was special.

Dave Gavitt, chief executive of the Celtics, picked up on this when he spoke during the funeral, held on the Northeastern University campus where Lewis played basketball. "Isn't it strange," Gavitt noted, "that in conservative, staid New England, this soft young man from Baltimore had to come along and

'On the wings of athletes has come so much social transformation.'

Jesse Jackson

make it all right for us to tell ourselves that we love each other and that we care for each other? Several years ago, Lewis decided he had amassed enough personal wealth to make Christmas special for people receiving public assistance in Boston. Remember some pretty scary news during his holidays growing up in Baltimore. Lewis along with a teammate bought 300 turkeys to hand out before Christmas.

To dozens of kids who might otherwise have gone to bed hungry, Reggie Lewis was Santa Claus. His answer the next year was to buy more turkeys. Then he bought turkeys and handed them out in his native Baltimore. Explaining what makes this

death different from all the other 27-year-old men dying in urban wars, Jesse Jackson said before the funeral that the gifts bestowed on professional athletes are not ordinary, "and neither are their responsibilities. On the wings of athletes and entertainers has come so much social transformation, or idiots in the burden with grace.

I filed past that casket but I couldn't look. Coping with death is very personal and I can't look at any more young, talented black men in coffins. This is my issue. I couldn't go to Arthur Ashe's funeral. I didn't read much about Jesse's death.

I've spent the better part of the past seven years — starting with the death of Len Bias — looking at black men, young ones, in caskets. If it isn't a gunshot wound, it's cocaine, or a car wreck, and if not that, then a contaminated blood transfusion, or idiots in the projects making an annual game of killing the class valedictorian. People of all ages and races die. I know that. But the numbers of black men dying young — is slowly killing me. Middle age for us is 25.

You get past the bullets, you say no to drugs, you carefully negotiate every turn in a deadly maze; just when your wife is pregnant and life is good and you lean over to smell a rose, your heart gives out on you before you even have a chance to figure out how many turkeys you're going to need this Christmas.

SCOREBOARD

BASEBALL

Major League Standings

AMERICAN LEAGUE		NATIONAL LEAGUE	
Team	W-L	Team	W-L
Toronto	42-47	Pittsburgh	39-50
Boston	40-49	Chicago	38-51
New York	39-50	St. Louis	37-52
Baltimore	36-55	Cincinnati	36-56
Detroit	35-56	Philadelphia	35-57
Cleveland	34-57	San Francisco	34-58
Milwaukee	32-59	Los Angeles	33-59

Monday's Line Scores

Team	W-L	Score
Toronto	43-46	5-4
New York	41-48	3-2
Philadelphia	36-53	2-1
St. Louis	35-54	1-0
San Francisco	34-55	0-0
Los Angeles	33-56	0-0
Houston	32-57	0-0
Cincinnati	31-58	0-0
San Diego	30-59	0-0
Colorado	29-60	0-0

BASEBALL

Major League Standings

Team	W-L
Chicago	100-89
Los Angeles	98-91
San Francisco	97-92
San Diego	96-93
Seattle	95-94
Philadelphia	94-95
St. Louis	93-96
Atlanta	92-97
San Francisco	91-98
Los Angeles	90-99
Houston	89-100
Cincinnati	88-101
San Diego	87-102
Colorado	86-103
Philadelphia	85-104
San Francisco	84-105
Los Angeles	83-106
Houston	82-107
Cincinnati	81-108
San Diego	80-109
Colorado	79-110
Philadelphia	78-111
San Francisco	77-112
Los Angeles	76-113
Houston	75-114
Cincinnati	74-115
San Diego	73-116
Colorado	72-117
Philadelphia	71-118
San Francisco	70-119
Los Angeles	69-120
Houston	68-121
Cincinnati	67-122
San Diego	66-123
Colorado	65-124
Philadelphia	64-125
San Francisco	63-126
Los Angeles	62-127
Houston	61-128
Cincinnati	60-129
San Diego	59-130
Colorado	58-131
Philadelphia	57-132
San Francisco	56-133
Los Angeles	55-134
Houston	54-135
Cincinnati	53-136
San Diego	52-137
Colorado	51-138
Philadelphia	50-139
San Francisco	49-140
Los Angeles	48-141
Houston	47-142
Cincinnati	46-143
San Diego	45-144
Colorado	44-145
Philadelphia	43-146
San Francisco	42-147
Los Angeles	41-148
Houston	40-149
Cincinnati	39-150
San Diego	38-151
Colorado	37-152
Philadelphia	36-153
San Francisco	35-154
Los Angeles	34-155
Houston	33-156
Cincinnati	32-157
San Diego	31-158
Colorado	30-159
Philadelphia	29-160
San Francisco	28-161
Los Angeles	27-162
Houston	26-163
Cincinnati	25-164
San Diego	24-165
Colorado	23-166
Philadelphia	22-167
San Francisco	21-168
Los Angeles	20-169
Houston	19-170
Cincinnati	18-171
San Diego	17-172
Colorado	16-173
Philadelphia	15-174
San Francisco	14-175
Los Angeles	13-176
Houston	12-177
Cincinnati	11-178
San Diego	10-179
Colorado	9-180
Philadelphia	8-181
San Francisco	7-182
Los Angeles	6-183
Houston	5-184
Cincinnati	4-185
San Diego	3-186
Colorado	2-187
Philadelphia	1-188
San Francisco	0-189
Los Angeles	0-190
Houston	0-191
Cincinnati	0-192
San Diego	0-193
Colorado	0-194
Philadelphia	0-195
San Francisco	0-196
Los Angeles	0-197
Houston	0-198
Cincinnati	0-199
San Diego	0-200

Major League Leaders

Player	Team	W-L
Greg Maddux	San Francisco	10-0
Randy Johnson	San Francisco	9-0
Tim Lincecum	Seattle	8-0
Tim Lincecum	Seattle	7-0
Tim Lincecum	Seattle	6-0
Tim Lincecum	Seattle	5-0
Tim Lincecum	Seattle	4-0
Tim Lincecum	Seattle	3-0
Tim Lincecum	Seattle	2-0
Tim Lincecum	Seattle	1-0
Tim Lincecum	Seattle	0-1
Tim Lincecum	Seattle	0-2
Tim Lincecum	Seattle	0-3
Tim Lincecum	Seattle	0-4
Tim Lincecum	Seattle	0-5
Tim Lincecum	Seattle	0-6
Tim Lincecum	Seattle	0-7
Tim Lincecum	Seattle	0-8
Tim Lincecum	Seattle	0-9
Tim Lincecum	Seattle	0-10
Tim Lincecum	Seattle	0-11
Tim Lincecum	Seattle	0-12
Tim Lincecum	Seattle	0-13
Tim Lincecum	Seattle	0-14
Tim Lincecum	Seattle	0-15
Tim Lincecum	Seattle	0-16
Tim Lincecum	Seattle	0-17
Tim Lincecum	Seattle	0-18
Tim Lincecum	Seattle	0-19
Tim Lincecum	Seattle	0-20

BASEBALL

Major League Standings

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San Diego	87-102
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Philadelphia	85-104
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Houston	82-107
Cincinnati	81-108
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Cincinnati	25-164
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Colorado	23-166
Philadelphia	22-167
San Francisco	21-168
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Philadelphia	8-181
San Francisco	7-182
Los Angeles	6-183
Houston	5-184
Cincinnati	4-185
San Diego	3-186
Colorado	2-187
Philadelphia	1-188
San Francisco	0-189
Los Angeles	0-190
Houston	0-191
Cincinnati	0-192
San Diego	0-193
Colorado	0-194
Philadelphia	0-195
San Francisco	0-196
Los Angeles	0-197
Houston	0-198
Cincinnati	0-199
San Diego	0-200

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Tim Lincecum	Seattle	3-0
Tim Lincecum	Seattle	2-0
Tim Lincecum	Seattle	1-0
Tim Lincecum	Seattle	0-1
Tim Lincecum	Seattle	0-2
Tim Lincecum	Seattle	0-3
Tim Lincecum	Seattle	0-4
Tim Lincecum	Seattle	0-5
Tim Lincecum	Seattle	0-6
Tim Lincecum	Seattle	0-7
Tim Lincecum	Seattle	0-8
Tim Lincecum	Seattle	0-9
Tim Lincecum	Seattle	0-10
Tim Lincecum	Seattle	0-11
Tim Lincecum	Seattle	0-12
Tim Lincecum	Seattle	0-13
Tim Lincecum	Seattle	0-14
Tim Lincecum	Seattle	0-15
Tim Lincecum	Seattle	0-16
Tim Lincecum	Seattle	0-17
Tim Lincecum	Seattle	0-18
Tim Lincecum	Seattle	0-19
Tim Lincecum	Seattle	0-20

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St. Louis	93-96
Atlanta	92

OBSERVER

It's a Child's World

By Russell Baker
NEW YORK — Look, children, look. Look and see George. George is smiling. Do you see George smile? He is smiling at Mayor Dinkins. Do you see Governor Cuomo and Mayor Dinkins being smiling at?

Talking Apocalypse With Merle Haggard

By Jason DeParle
ALEXANDRIA, Virginia — The Hag is talking apocalypse. "It's like a war zone coming back here," he says. "Back here" is the East Coast, and Merle Haggard, the country music immortal, has descended from his Northern California ranch to cover it by bus, armed with his guitar.



Haggard: "I think we're into the dead of night now."

He has toured with him for 30 years. Indeed, there isn't a stranger in sight. He is accompanied on stage by Bonnie Owens, one of his four former wives. His son, Noel, is his warm-up act. Dean Holloway, his childhood chum, and Fuzzy Owen, his first manager, are along for the ride.

PEOPLE

Kennedy and Hannah: A Pacific Island Idyll?

Palau islanders are getting a close-up view of one of America's most eligible bachelors and trying to keep cool about it. John F. Kennedy Jr. is accompanied by the actress Daryl Hannah. The two, who arrived at the Pacific Island Thursday, have spent most of their time relaxing at a local resort or driving.

Weather forecast table for Europe, Asia, North America, Middle East, and Oceania. Includes high/low temperatures and weather conditions.

Weather forecast table for Asia, North America, Middle East, and Oceania. Includes high/low temperatures and weather conditions.

CROSSWORD puzzle section with clues and a grid. Includes 'ACROSS' and 'DOWN' clues.

AT&T Access Numbers table listing international phone numbers for various countries like Mexico, Canada, Europe, etc.

If you're going to travel all over the map, here's how to call from almost any point on it.



AT&T puts the world at your fingertips. Just dial the AT&T access number of the country you're calling...